

SOCIAL DEMOCRACY READER 1

Tobias Gombert et al.

Foundations of Social Democracy



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FOREWORD

to the fourth German edition

Politics requires a clear sense of direction. Only those who are able to state their goals clearly will achieve them and inspire others. In light of that, in this Reader we would like to address the question of what social democracy means in the twenty-first century. What are its basic values? What are its goals? How can it be put into practice?

One thing is clear: social democracy is not a rigid structure or set in stone for all time, but must rather be constantly renegotiated and subject to democratic contestation. With our series of Social Democracy Readers, therefore, we have no wish to provide ready-made answers but rather seek to encourage further reading and reflection. These books are intended as an aid for people to clarify their own viewpoint – for everyone who wishes to play an active role in social democracy or has an interest in it.

The first Social Democracy Reader – *Foundations of Social Democracy* – was published six years ago. In the meantime, six further volumes have appeared on various topics, as well as audio books, educational films and some new editions. The Readers have been translated into more than a dozen languages. A great success, to be sure, but no cause for complacency.

The political debate has changed substantially since 2008. The financial market crisis has sent many – though by no means all – back to the drawing board. Government and party constellations have changed. Debates and discourses have struck out on new paths.

For these reasons we here present a completely revised fourth edition. With a new structure and new chapters, but the same tried and tested didactic approach we have again ventured to ask what social democracy means today.

We would like to thank the principal author Tobias Gombert. Tobias Gombert has undertaken the bulk of the revision. Martin Timpe played a substantial role in the preparation of the first edition. He has once more chaperoned the editing process – this time with the help of Kerstin Rothe and Michael Reschke – with exceptional skill and expertise. For their commitment and outstanding cooperation they and everyone else involved deserve our thanks. Any shortcomings are our responsibility.

The symbol of the Academy for Social Democracy is a compass. By means of the Academy's programmes the Friedrich-Ebert-Stiftung seeks to offer a framework for the clarification of viewpoints and orientations. We would be delighted if you make use of our programmes to help you find your own political path. Constant public engagement and debate are the very lifeblood of social democracy.



Dr Christian Krell

Director

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Project Director

Social Democracy Readers

Bonn, November 2014

1. WHAT IS SOCIAL DEMOCRACY? FOUR ANSWERS TO LEAD INTO THE TOPIC

In this chapter

- the concept of »social democracy« is presented from a theoretical standpoint;
- social democracy as a political movement is distinguished from the theoretical definition;
- the basic values, the fundamental rights and their implementation are presented;
- navigational aid is provided for the Reader.

*What is social
democracy?
Four answers*

‘Social democracy – isn’t that self-explanatory?’ An idea that contains the promise that is inherent in the very notion of democracy, that it should serve every member of society and on the basis of equality. Isn’t that self-evident?, some would say.

‘Social democracy – don’t we already have it in Germany with our model of the social market economy’, others ask?

‘Social democracy – that really belongs to the SPD and therefore it concerns only social democrats; it is their theory’, according to some.

‘Social democracy – why not democratic socialism? Isn’t that the traditional meaning?’, others say.

But who is right?

At this point, if not before, the debate becomes confused. But who is right? The shadow of the Tower of Babel looms and progress begins to look daunting.

The first task, therefore, is to agree on a common language, enabling us to understand and explain the various standpoints. Where the direction has yet to be agreed, a common starting point must first be found.

In terms of the four approaches to the meaning of social democracy, all bring something important to the debate.

Some concern its foundations and premises: that is to say, what can be – legitimately – expected of social democracy.

Others address the question of how much has already been achieved; in other words, whether and how social democracy has already been implemented in society.

A third group, by contrast, asks who are the representatives of social democracy in society. This question is of particular importance.

Finally, there are those who wonder what benefit there is in diverging from an already established idea. The question is, therefore, what constitutes the core of social democracy and how it differs from other standpoints.

Anyone wanting to talk about social democracy, therefore, must first make clear exactly what they mean by it and what audience they are addressing. Social democracy does not have a fixed meaning. It is elusive and people associate a whole range of values with it. The idea is socially charged because it affects society and is claimed – or rejected – by various interest groups.

The four questions show that, before using it, one has to define one's terms precisely and be fully aware of what social goals are associated with it.

The idea of 'social democracy' is used in many different ways in the theoretical debate. There is no single, binding definition.

This volume cannot solve this problem; but it can serve as an entry point to the debate. To that end, various political and theoretical approaches will be outlined. It offers orientation without presenting ready-made solutions. Everyone must decide for themselves what solutions make sense politically. The theory is one thing; the political movement something else.

We need a definition

Finding the right definition

Social democracy as a movement

The words »social democracy« or »democratic socialism« are not only theoretical concepts, on whose meaning agreement has to be reached. Above all, they represent a powerful idea, with which many have identified. People have campaigned for it across the generations and will continue to do so in the future. This history, too, the history of social democracy as a movement – whether as a party, in trade unions or in the workers' cultural movement – will resound throughout this Reader.

An early expression of the powerful political idea of »social democracy« is provided by a banner. On 23 May 1863 Ferdinand Lassalle, among others, founded the All-



gemeine Deutsche Arbeiterverein (ADAV) or General Association of German Workers. By that time the euphoria of the French Revolution was only a distant memory. The hope that the bourgeoisie would realise its ideals in Germany had been disappointed. Instead, hard on the heels of the so-called »bourgeois revolution« of 1848 came the restoration of the monarchy, under whose cloak industry burgeoned under the direction of the bourgeoisie.

Figure 1: ADAV banner

»Freedom, equality and fraternity« – these demands are and were not false, but in the hands of the aspiring bourgeoisie they were framed wrongly. Workers' associations were founded and made the cause of »freedom, equality and fraternity« their own.

On the tenth anniversary of the ADAV this was affirmed by means of a banner. »Freedom, equality and fraternity« were now complemented by »unity is strength!« Those concerned were well aware of how difficult it is to attain such unity. It presupposes a great deal; not only criticism of the current state of affairs, but also developing a common conception of a better society and a roadmap of how to get there. Achieving unity thus requires relentless democratic consultation and coordination. The task outlined by the banner has thus not been achieved, but remains a challenge.

1.1. Starting Point: A Provisional Definition

Even though there is no all-purpose definition of what social democracy really is, there are a number of proposed definitions, ideas about what it is and what it is not, as well as points of reference.

Everyone has to decide for themselves which definition is most congenial. To that extent, we hope that after working through this Reader you will be a lot closer to »your« definition.

As a common starting point for coming to grips with social democracy we suggest that

- it links the realisation of democracy with the organisation of the community, and at the same time with fundamental political and civil, as well as economic and social rights;
- it conveys a value-oriented fundamental understanding of freedom, justice and solidarity;
- it can be distinguished from other schools of thought and argument (conservatism, liberalism);
- it describes a context for theoretical debate;
- it thus combines a scholarly discussion with a political programme.

For our Readers a theoretical approach to explaining social democracy has generally proved its worth. In 2005–2006 Thomas Meyer published *The Theory of Social Democracy*, supplemented by *The Practice of Social Democracy*. These two volumes together offer both a theoretical basis and a cross-national empirical investigation.

*What is social
democracy –
a suggestion*

 **Film:**



[http://www.fes-
soziale-demokratie.
de/filme.html](http://www.fes-soziale-demokratie.de/filme.html)

*Thomas Meyer's
Theory of Social
Democracy*

Meyer proposes the following definition:

»Social democracy, in contemporary usage, is both a basic concept of the theory of democracy and a name used to characterise the programme of a political tendency. Although these two usages are variously interrelated they refer to two quite distinct states of affairs with different kinds of validity claims. The theory of social democracy is not attached, either in its normative foundations or its explanatory role, or even in the comparative discussion of the different ways of realising it, to definite, pre-given political actors, although naturally every step in its realisation depends on political actors lending their support to the programme of practical action that derives from it. Political actors of various stripes can, in turn, make use of the concept of social democracy as a programme label, if they think it will serve their interest, largely independently of whether and to what extent their political endeavours are congruent with the theory of social democracy or even have any inclination towards it.«

(Meyer 2005: 12)

Theoretical model

Social democracy is thus, on one hand, an academic theoretical model. If it is to be taken seriously as such it has to function in accordance with »academic rules of the game« – for example, it has to be free of contradictions and able to provide verifiable explanations and proof for its arguments.

Political goal

Social democracy can, on the other hand, serve as a political goal, in which case academic rules are no longer to the fore. Political goals have to prove themselves in the arena of political debate and be subject to democratic decision-making.

Linking academia and politics

However, before we strike out on this path we should address another objection. At the very beginning of this chapter you perhaps raised an eyebrow and asked yourself: »social democracy – what does that have to do with academic studies? It's all about politics. In any case, scholars should remain neutral.« To anticipate, we partly agree with this assertion: social democracy naturally has something to do with a political vision, with norms, values and political goals.

So, can scholarship take sides? Opinions differ. Our answer to this question is that scholarship should at least seek to make a contribution to the improvement of society.

Scholars are not outside society, but part of it. They live on the basis of values and as political beings. To that extent scholarship is also »political« because people affect society by means of it and want to make a difference.

At the same time, scholarly freedom is a precious good. It means to conduct research (self-)critically and independently and not to tamper with findings to please those who commissioned the research. Scholarly freedom thus entails a responsibility to make one's own interests transparent and to consider the effects of one's work on society. Do we not want our scholars to take into consideration the social effects of their activities?

Thus social democracy as a theoretical model – like all other theories – has to be explicit about the values and norms it uses in its work.

1.2. Levels of Argumentation

It has already become clear that social democracy is not only a normative model. There is also the question of how far social democracy is in fact being realised. This concerns an indivisible interconnection of social rights and democracy: without genuinely effective social rights there can be no democracy. At the same time, democracy ensures that social rights can also be viable. Any model of social democracy must therefore take this interconnection into its purview.

In order to do justice to values **and** the question of their social realisation it makes sense to distinguish between three levels of argument: basic values, fundamental rights and instruments.

*Social rights and
democracy*

Three levels

Normative embedding

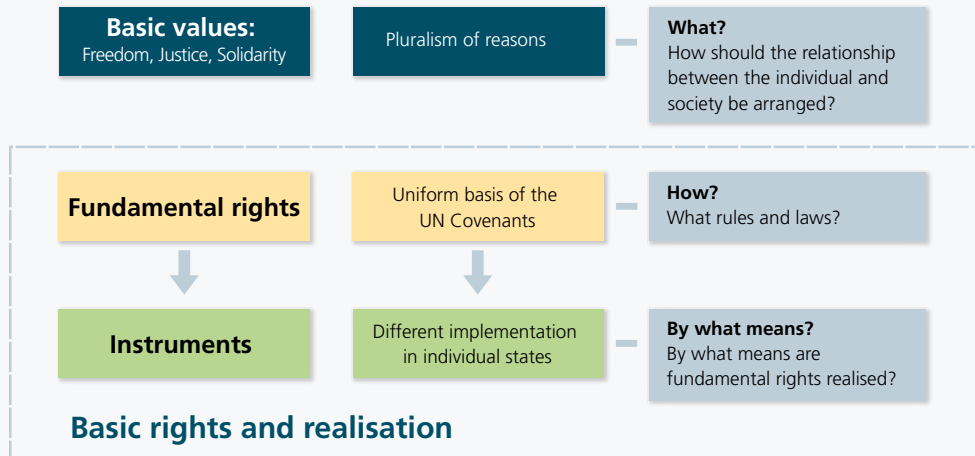


Figure 2: Levels of basic values, fundamental rights and instruments

At the level of the basic values of freedom, justice and solidarity the relationship between the individual and society is clarified and how life in society should be arranged.

Basic values

Basic values can be justified in various ways: for example, from the Christian, Jewish, Muslim or humanist traditions.

Basic values have an important social function: they form a protective membrane for the fundamental rights and their realisation by means of instruments, indeed, for co-existence in general. The image of »fundamental rights as a collective membrane« also expresses the fact that the common thinking and feeling embodied in the basic values within the framework of social co-existence is vital in relation to all actions. Rights and obligations, checks and implementation alone are not enough. Ultimately, the »membrane« must be able to constantly renew itself and be nurtured.

Fundamental rights

At the level of the *fundamental rights* the basic values are translated or transposed into socially binding and democratically legitimised norms of action. Why people implement a fundamental right is less decisive. Decisive is rather dem-

ocratic agreement; in other words, the process. Anyone living in a society can demand that fundamental rights be complied with.

At the *instrumental* level, the question is how society or the state can guarantee the realisation of fundamental rights. For states and unions of states specific obligations arise from fundamental rights. However, there are different ways of complying with these obligations. They sometimes differ strikingly between countries and cultures, as the country studies in this volume show.

Social democracy must therefore – if it seeks to fulfil its normative requirements – provide answers at all three levels. In what follows we thus devote a chapter to each level.

In this **first chapter** we have addressed the concept of »social democracy«. Social democracy's three levels of argumentation were also presented: basic values, fundamental rights and implementation. These levels will now be presented in more detail in the following chapters.

In the **second chapter** we commence our tour of the levels of argumentation with the basic values. Social democracy has a normative basic structure and this depends crucially on a particular understanding of the three basic values: freedom, justice and solidarity.

In the **third chapter** we continue the tour with the fundamental rights. Only when the basic values are translated into appropriate legal, democratically legitimised rules can they have an effect on society. The theory of Thomas Meyer will then help us with the connection between the fundamental rights and the obligations of states.

In the **fourth chapter** we shall look at how states fulfil their obligations, which arise from the fundamental rights. We shall establish that there are very different ways of implementing these rights across the world, which are more or less successful. Here, too, Meyer's empirical research represents an important foundation.

In the **fifth chapter** we would like to look at the social-policy compass of various social models. To that end we shall compare the points of departure and aims

Instruments

Chapter 1: Introduction

Chapter 2: Basic values

Chapter 3: Fundamental rights and their realisation

Chapter 4: Obligations and instruments

Chapter 5: The debate on social models

of (neo)liberalism, social democracy and conservatism. We shall also look at the present party landscape in the Federal Republic of Germany.

*Chapter 6: In
conclusion,
a beginning*

In the **sixth chapter** we draw conclusions and look at a number of challenges for the future. We also briefly outline the Social Democracy Readers. This chapter also points the way for any who would like to go into certain questions in more detail.

2. BASIC VALUES

In this chapter

- freedom, justice and solidarity are elucidated as basic values of social democracy;
- the basic values are related to current politics from a historical and philosophical perspective;
- the understanding of the basic values of the main political parties in Germany is discussed.

»*Liberté, égalité, fraternité!*« This was the battle-cry of the French Revolution. At the beginning of the bourgeois era it was translated into the basic values of freedom, justice and solidarity.

At the same time, these concepts are constantly being reformulated, modified and brought up to date. For example, in 2007 the two main national-level parties the SPD and the CDU renewed their basic programmes, which refer to these values. Many programmes frame the basic values of freedom, justice and solidarity from the standpoint of the party in question and derive political goals from them.

In particular, social democracy as a political movement has been a strong voice for the basic values and the fundamental values embedded in them. They therefore play a key role in social democracy's argumentation model. In what follows, we shall look in more detail at the three basic values of freedom, justice and solidarity.

*Broad agreement
on the basic values*

*Crucial importance
for social democracy*

2.1. Freedom

Freedom is the almost dazzling fundamental value invoked most often by all political actors.

Roots of freedom

For social democrats, it goes hand in hand with the Enlightenment and what German historiography refers to as the »bourgeois« period (roughly 1815-1915). Philosophers such as John Locke, Jean-Jacques Rousseau, Immanuel Kant and Karl Marx, as well as representatives of Critical Theory, have at various historical moments thought through and described how freedom might be realised.

Three fundamental questions

The debate on freedom comprises, roughly speaking, three basic questions:

1. How is freedom to be defined?
2. How can freedom be realised or guaranteed in society?
3. What are freedom's limits in society?

John Locke's definition of freedom

English philosopher John Locke's definition of freedom has stood the test of time:

»The natural liberty of man is to be free from any superior power on earth, and not to be under the will or legislative authority of man, but to have only the law of nature for his rule. The liberty of man, in society, is to be under no other legislative power, but that established, by consent, in the commonwealth; nor under the dominion of any will, or restraint of any law, but what that legislative shall enact, according to the trust put in it.«

(Locke 1977: 213; *Two Treatises of Government*, Part I, Chapter 4)

Three dimensions of freedom

In the tradition of Locke, three different dimensions of freedom are distinguished:

- freedom in one's own person;
- freedom of one's own thoughts and feelings; and
- freedom of disposal over property that was legally acquired.

These three dimensions of freedom have been incorporated in many constitutions and their definitions of fundamental human rights. Many different theories have referred to and interpreted John Locke's definition of freedom.

John Locke (1632-1704) was one of the first and most important representatives of liberalism. Locke played a major role in the development of empiricism, the investigation of how people learn through experience. The comparison of experiences is, on this basis, the starting point of theory.

In 1690 Locke published *Two Treatises of Government*, in which he shook the theoretical foundations of the English monarchy and developed a constitution of society based on freedoms.

Locke's point of departure is that each person is entitled to these freedoms by nature – that is, they did not develop in society, but are somehow »prior«.

To be sure, these »natural rights« will not be »preserved« in society automatically. They have to be transformed into individual persons' claims on society.

Freedom as a natural right

Natural rights must be transformed

Locke's core argument has retained its force, with numerous philosophical variations, up to the present day and is a constant point of reference in debates on freedom as a basic value. Locke remains one of liberalism's key thinkers.

However, this constantly referenced definition cannot hide the fact that it is enshrined in a historical text that cannot be properly understood apart from its origins and cannot be applied directly under present-day circumstances. This also becomes manifest in the question of how freedom can be guaranteed or realised in society.

Historical context

It is decisive for the historical debate that Locke – and many subsequent Enlightenment philosophers – was opposing the argument that it is possible to justify a lack of freedom for the majority on the basis of a natural inequality. Natural equality and, therewith, equal freedom was a revolutionary assertion in an absolutist society in which kings sought to legitimise their rule as something God-given.

However, Locke did not confine himself to naturally given, equal freedom, but transposed natural freedom into regulations that operate in society by means of a social contract.

Locke's social contract

In society, to summarise his argument, natural freedom becomes personal property by being exercised; natural freedom of thought and feeling must be ensured in society by means of participation in decision-making and political power; and

natural freedom to be able to dispose of legitimately acquired things requires a free market to which every person has access.

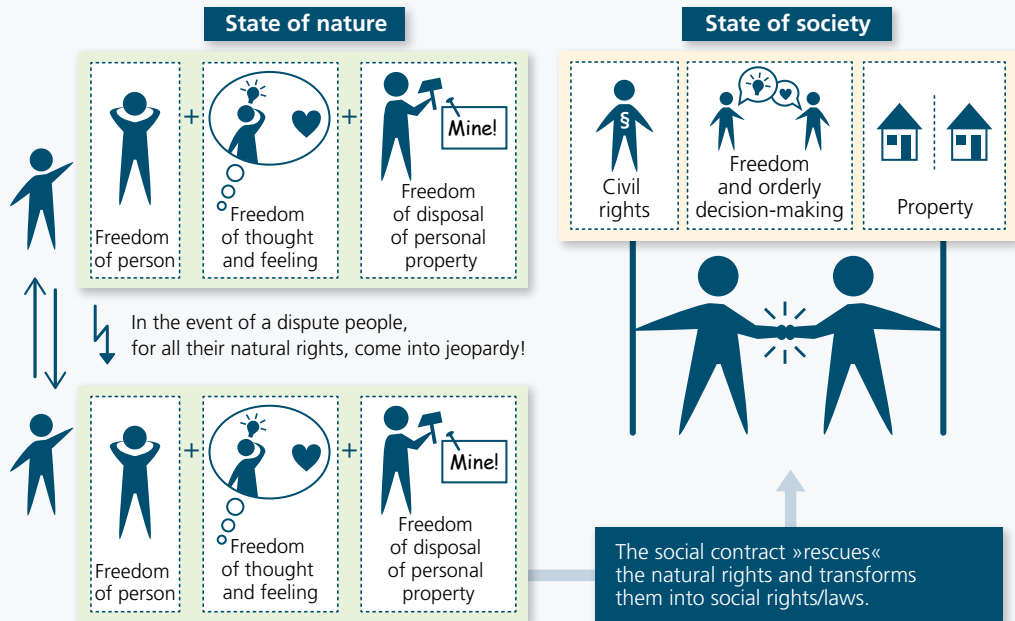


Figure 3: John Locke's concept of freedom

Natural freedoms, therefore, must constantly be realised anew in different ways. In particular with regard to the question of how freedom can be realised, however, criticisms of John Locke's theory began to emerge even in the eighteenth century.

Jean-Jacques Rousseau (1712-1778) theoretical work made him one of the precursors of the French Revolution. Rousseau wrote a discourse of fundamental importance on the development of social inequality, which was partly philosophical, partly historico-empirical. Further important works deal with the theory of the democratic state and with education.

Jean-Jacques Rousseau's criticisms of Locke

Probably the most important critic was Jean-Jacques Rousseau, who disagreed with or expanded on Locke on four central points:

*Four criticisms
of Locke*

1. A good social contract can come into being only if, in the establishment of a society, all men renounce all their natural rights in order to get them back again as civil rights.
2. The social contract of contemporary bourgeois-monarchic societies is not a good social contract.
3. Lasting »freedom« can be realised only if all political decisions are reached by all people by way of laws. Only then is every person really subject to their own will and thereby free.
4. For Rousseau, however, »freedom« is also bound up with the idea of development. Rousseau believed that each person had a »faculty that develops all the others« (*»perfectibilité«*). Such »faculties« are not predetermined, however, but develop in accordance with the possibilities for learning and living offered by society.

The first point of criticism in particular is, at first sight, surprising. Why should one surrender all natural rights, only to receive them back again from society? Doesn't that open the door to tyranny? Rousseau's radical insistence on this point is almost shocking. He chose this radical formulation partly because he wanted to make it clear that no sinecures, no possessions and therefore no social inequalities should be permitted to insinuate their way into society if freedom is to be achieved by all. His ideal is a society of free and equal persons. Under Locke's aegis, Rousseau implies, the sinecures and possessions of the few, not the equal rights of all are legitimised.

*Ideal: a society
of free and
equal persons*

Rousseau's primary aim, therefore, is the genuine realisation of freedom in society. In the society in which he lived, however, freedom for all was purely nominal. In fact, the notion of freedom had been framed in such a way that it served only to reinforce the position of the rich.

*Freedom only
for the rich?*

Freedom, according to Rousseau, can very much be used as a slogan to promote business as usual. He drives this point home in a speech he puts in the mouth of a rich person seeking to win over the poor to the false social contract and its unilateral freedom:

»Let us join«, he said to them [the poor – authors' note], »to guard the weak from oppression, to restrain the ambitious, and secure to every man the possession of what belongs to him: let us institute rules of justice and peace, to which all without exception may be obliged to conform; rules that may in some measure make amends for the caprices of fortune, by subjecting equally the powerful and the weak to the observance of reciprocal obligations. Let us, in a word, instead of turning our forces against ourselves, collect them in a supreme power which may govern us by wise laws, protect and defend all the members of the association, repulse their common enemies, and maintain eternal harmony among us.« (Rousseau 1997: 215-217 [Discourse on the Origin of Inequality, Part II])

It must always be taken into account, in other words, whether the social freedom assured for all really does apply to all. This thought is also found in the famous words of the French Dominican Jean Baptiste Henri Lacordaire:

Jean Baptiste Henri Lacordaire (1802-1861) was a French theologian and Dominican priest, who was also involved in politics; among other things, he was a member of the constitutive National Assembly in 1848.

»Between the strong and the weak, between the rich and the poor, between master and servant it is freedom that oppresses and the law that liberates.« (Jean Baptiste Henri Lacordaire)

For discussion:

Freedom as a slogan for business as usual? Do you agree with Rousseau? Can you think of any instances from current political debate in which »freedom« is abused as a slogan for business as usual?

Rousseau's third point of criticism concerns another aspect of freedom: namely, its relationship with power. While Locke – and before him, to an even greater degree, Thomas Hobbes – assumes that, while legislation is legitimised by the people, it is not necessarily exercised by it, Rousseau takes a radically democratic stance. He argues that one can be free – that is to say, subject only to one's own political will – only if one is bound by laws in whose making one has participated.

With his fourth point of criticism Rousseau supplements Locke's concept of freedom on a central issue. He takes the view that human freedom results from the fact that human beings are naturally endowed, not only with »faculties«, but also with a »faculty to develop other faculties« (cf. Benner/Brüggen 1996: 24). Facilitating the development of personality is therefore a central challenge for a democratic society.

»A faculty that develops all the others«

Rousseau's criticisms make him an important representative of republicanism: he links the fulfilment of freedom for every citizen to the realisation of a democratic state and the active role of all citizens in it. For him a society that takes shape democratically is a prerequisite for the fulfilment of comprehensive equal freedom for all. This development entails an important question: how could it be brought about that people were willing and in a position to embark on a democratically constituted society on the basis of their free will? Would it not require, as an initial condition, extensive freedom, exercised responsibly, for a decision in favour of such a democratically constituted society to be taken at all?

*Rousseau:
representative of
republicanism*

*How to achieve
this goal?*

Living in and exercising freedom responsibly, as well as developing one's personality do indeed constitute a learning process that only an appropriately enabling or nurturing society could make possible.

Rousseau's two-part answer is – framed as it was during the period of absolutism – sceptical: his hopeful answer is »education«, which would have to take place outside current society for the sake of a new society. Rousseau even wrote a novel on education, *Emile or On Education*.

1. Education

The second part of his answer is that a society's first democratic constitution requires a »wise legislator«, through whom the citizens can learn what they, by means of the freedom they were already experiencing, should already have decided for themselves.

2. A »wise legislator«

Both components of Rousseau's answer were controversial and remain so today.

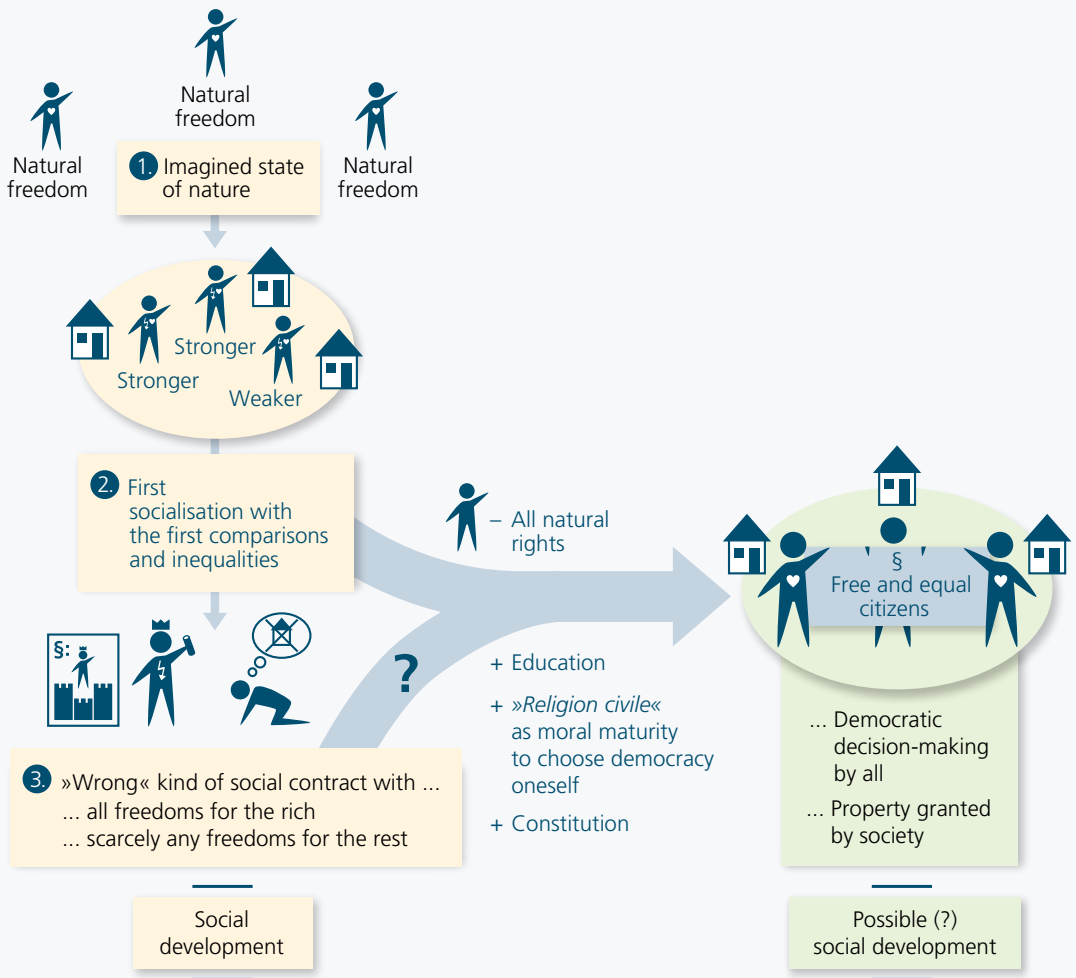


Figure 4: Rousseau: right and wrong kinds of social contract

Limits of freedom

Montesquieu and Kant: What are the limits on freedom?

The responsible exercise of freedom is a question that two other important philosophers took up. With regard to the social limits of freedom Charles de Secondat Montesquieu and Immanuel Kant are frequent references.

»It is true that, in democracies, the people seem to act as they please; but political liberty does not consist in an unlimited freedom. In governments, that is, in societies directed by laws, liberty can consist only in the power of doing what we ought to will, and in not being constrained to do what we ought not to will. We must have continually present to our minds the difference between independence and liberty. Liberty is a right of doing whatever the laws permit; and, if a citizen could do what they forbid, he would be no longer possessed of liberty, because all his fellow-citizens would have the same power.«

(Montesquieu 1992: 212 [*The Spirit of the Laws*, Book XI])

»There is only one categorical imperative and it is this: act only according to that maxim whereby you can at the same time will that it should become a universal law!«

(Kant 1995: 51 [*Groundwork of the Metaphysics of Morals*])

Charles de Secondat Montesquieu

(1689-1755) was a jurist and moral philosopher best known today for his treatise *The Spirit of the Laws* (1748). Among other things, he favoured a constitutional monarchy and the separation of powers (legislative, executive and judicial).

The limits of freedom, for Montesquieu, are related to the duty to obey the laws. Laws limit freedom, but at the same time they are its guarantors because they are established to prevent legal violations by others.

*Montesquieu's
answer*

Kant's formulation is more far-reaching and conceived at a higher level of abstraction. Of every action, one must ask whether its maxim can become a universal law. This extension, therefore, goes beyond merely obeying the law to encompass also how freedom is exercised within the framework of the laws. Expressed more simply: what if everyone did that?

Kant's answer

This can be illustrated by a simple example. It is not prohibited to drive a big, gas-guzzling and thus environmentally unfriendly SUV. If that was formulated as a general law, however, it would pose a major environmental policy problem: »Everyone in the world may drive an SUV.« Presumably the formulation of this law would not be opposed by everyone. But supposing that everyone was financially able and also wanted to do so, the outcome would be an environmental catastrophe. According to Kant, this would overstep the limits of per-

*The limits on
freedom are
moral in nature
and linked to the
common good*

sonal freedom of action. The sting of the categorical imperative as a means of control thus goes deep if one thinks it through and subjects one's own actions to it.

For Kant, therefore, the limits of freedom are moral in nature and, for the individual, linked to the public good. This individual perspective on the limits of freedom, however, is by no means sufficient to make freedom accessible to all in society. In other words, it is not merely a matter of preventing infringements or intrusions with regard to freedom of the individual, but of extending freedom to those whose freedoms are inhibited. In society, this can be realised only in the form of equal freedom for all.

Immanuel Kant's moral conception of freedom exercised particular influence over social democracy in the twentieth century. For example, the Godesberg Programme, drawn up under the guidance of Willi Eichler, was influenced by the ideas of Neo-Kantian Leonard Nelson and his philosophical ethics.

The SPD's Hamburg Programme states this concisely: »Every person is capable of and competent for freedom. But whether a person is able to live a life commensurate with this vocation depends upon society.«

Immanuel Kant (1724-1804) remains one of the most influential German philosophers of the Enlightenment. His work addressed almost every philosophical issue of his age.

His most important works include: *Kritik der reinen Vernunft* [Critique of Pure Reason] (1781), *Kritik der praktischen Vernunft* [Critique of Practical Reason] (1788), *Kritik der Urteilskraft* [Critique of Judgement] (1790), *Zum ewigen Frieden* [On Perpetual Peace] (1795), *Metaphysik der Sitten* [The Metaphysics of Morals] (1796/97).

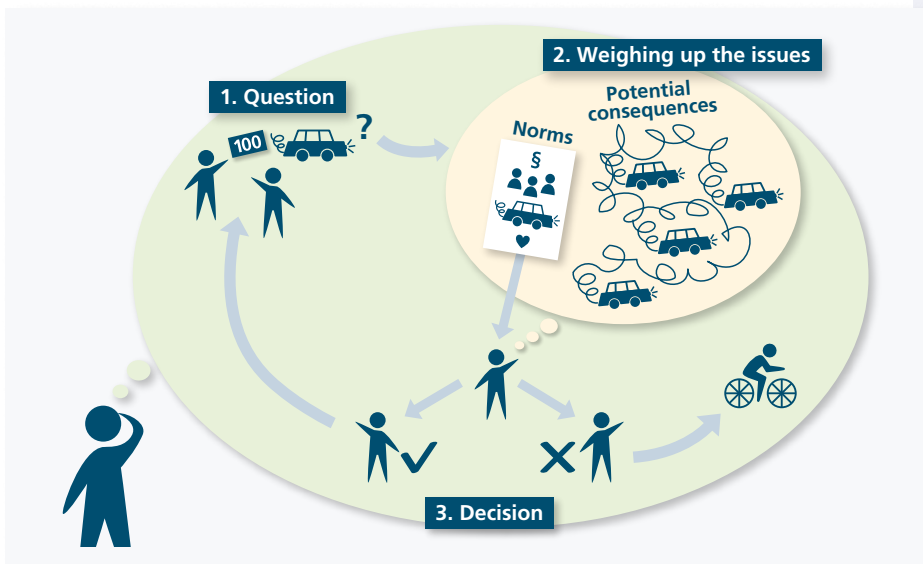


Figure 5: The notion of the categorical imperative

Positive and negative civil rights and liberties

The question of how people develop and unfold their personalities and thus are able to live in freedom has also been addressed by many later philosophers.

Isaiah Berlin (1909-1997) was a Russian-born British philosopher. In his book *Two Concepts of Liberty* (1958) he distinguishes between two sorts of civil rights and liberties:

- negative civil rights and liberties (for example, the right to freedom from bodily harm), which grant protection from encroachment by state and society;
- positive civil rights and liberties (for example, the right to education), which are intended to facilitate and promote the freedom of the individual via measures taken by society and the state.

In this way Isaiah Berlin introduced an important new idea. He distinguished between negative (formal, protective) and positive (socially enabling) civil rights and liberties. It is important to note that the adjectives »positive« and »negative« are not synonymous with »good« and »bad«. Negative civil rights and liberties prevent the intrusion of the state and society into the affairs of the individual. They protect the individual.

Negative civil rights and liberties

Examples of negative civil rights and liberties:

- integrity of dwelling;
- prohibition on violence against children;
- data protection.

Positive civil liberties, however, should help everyone in society to freely develop their own personality and to participate in society. They enable the individual. Examples of positive civil rights and liberties include:

- right to an education;
- the opportunity to use or take advantage of hospitals, swimming pools and cultural offerings.

More recent theories – for example, that of Indian Nobel prize winning economist Amartya Sen – therefore also talk about »capabilities«, which go far beyond fiscal equality to require extensive participation in the life of society.¹

Amartya Sen (*1933) is an Indian economist and philosopher, who won the Nobel Memorial Prize in Economic Sciences in 1998. A central topic of his work is the consequences of social inequality. We have him to thank for the idea of a Human Development Index, a benchmark for measuring well-being and poverty.

The question of whether there should be both forms of civil rights and liberties and in what relationship the two should stand to one another is a matter of political controversy.

The debate on how positive and negative civil rights and liberties should be related to one another also divides libertarian² and social democracy.

The initial question from a libertarian standpoint tends to take its bearings from an interpretation of Locke's philosophy and asks: »what regulations and social relations stand in the way of individual freedom?« Natural (and presocial) freedom in society should therefore be salvaged. That can be achieved only if society's power over the individual is restrained.

The supplementary question posed by social democrats goes beyond this: »What must society do to make it possible for all to be or to become free?« Here society plays an active role in promoting freedom for all and seeking to ensure that everyone can participate fully. Libertarians and social democrats are divided on the value they attach to negative and positive civil rights and liberties.

1 The first two German government reports on poverty and wealth, accordingly, no longer use only a material indicator to measure poverty, but also take in social inclusion and exclusion.

2 On the concept of »libertarian« see footnote 5, page 36.

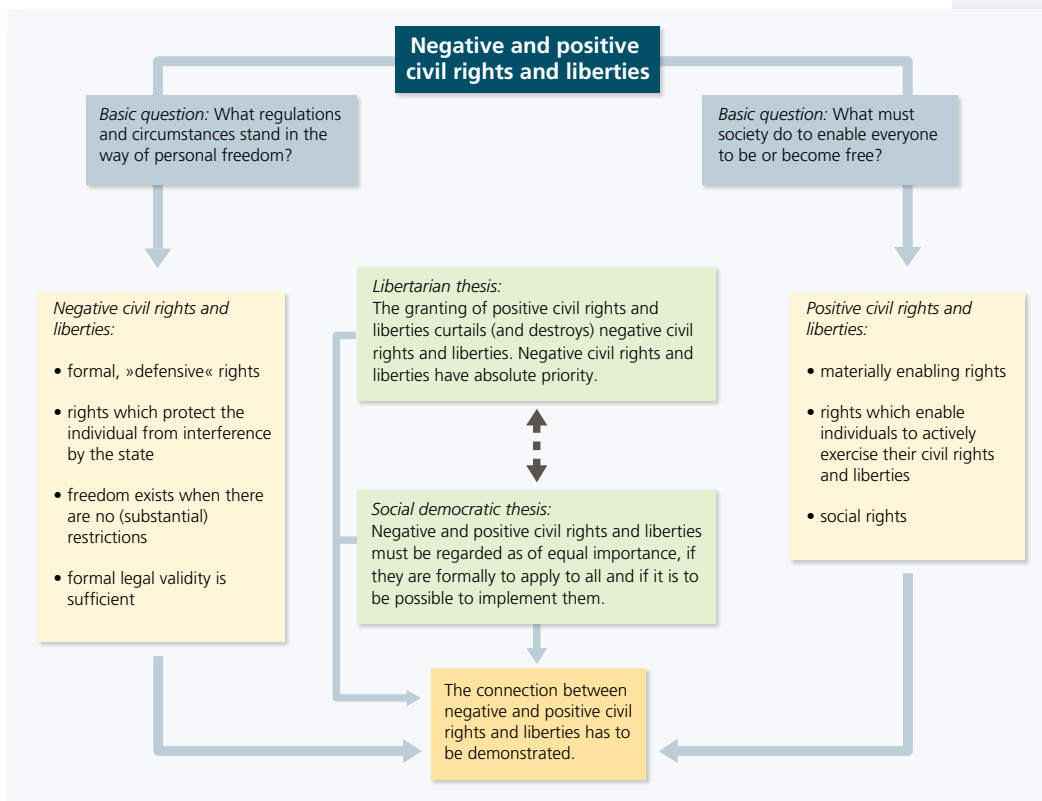


Figure 6: Negative and positive civil rights and liberties

Libertarian democracy confers absolute priority on negative civil rights and liberties – intrusions on the part of society must be prevented. Positive civil rights and liberties, from the standpoint of libertarian democracy, curtail even social freedom because they stand in the way of the independent decision-making of individuals. One example is the minimum wage, which may be considered to impinge on individual freedom of contact on the labour market and to restrict the negotiation of wages.

Social democracy, for its part, emphasises that negative and positive civil rights and liberties are mutually dependent on and supplement one another. To take a simple example: education is a positive fundamental right that is crucial in enabling one to be able properly to exercise freedom of thought, a negative fundamental right. Furthermore, in order to fund education the state has to levy taxes, which in turn is to some extent an infringement of the right of property, a negative fundamental right.

*Libertarians:
priority for
negative civil rights
and liberties*

*Social democ-
racy: negative +
positive civil rights
and liberties*

But one should not simplify too much here.

How the relationship between the individual and society is balanced and the specific form in which civil rights and liberties are established pose a constant challenge for democratic societies.

Example 1:

A school is to be extended to become inclusive so that it is suitable for both handicapped and non-handicapped pupils. But that is possible in this instance only if the garden plot of a neighbouring house with a lot of beautiful trees is used for this purpose. The neighbour does not want to sell. Legally, expropriation with compensation would be possible. **How would you decide?**

Example 2:

The federal state of North Rhine Westphalia has on several occasions purchased so-called »tax CDs« containing the account data of German citizens who may have evaded taxes. In the first instance, the purchase is a breach of bank secrecy (a negative civil right). On the other hand, the state can use the additional tax revenues to pay for infrastructure and improvement in services of general interest.

How would you decide in this instance?

Example 3:

Increasingly, highly developed industry is characterised by forms of networked production that document and evaluate almost all stages of work processes (»Industry 4.0«). In certain areas of production companies lacking this new standard are no longer competitive. At the same time, data gathering is impinging substantially on workers' and consumers' right to informational self-determination.

What would your position be on this?

Example 4:

There have recently been disputes concerning the principle of »one company, one collective agreement« (Tarifeinheit). The key issue is whether numerically the largest trade union should negotiate on behalf of a group of employees. The critics of such a regulation argue that it entails a dangerous infringement of the negative civil rights of free collective bargaining and strike action (especially for smaller trade unions). Advocates regard this as a justified intrusion that guarantees the principle »equal pay for equal work« and safeguards strong trade unions.

What is your view?

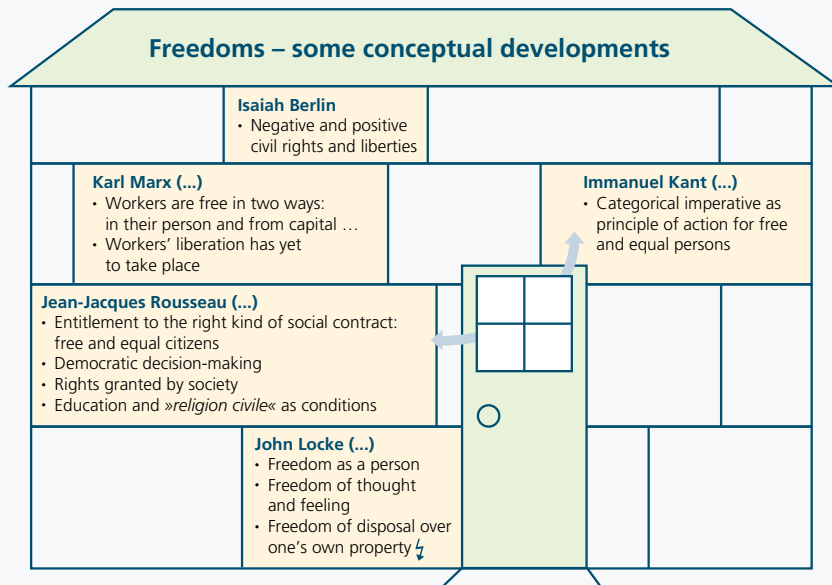


Figure 7: Conceptual structure of the notion of freedom

Challenges to social democracy arising from the discussion of freedom

- Freedom of person and freedom to participate actively in society and its decision-making must be fundamentally ensured and guaranteed.

»Freedom« in the SPD's Hamburg Programme

»Freedom means the possibility of self-determination. Every person is capable of and competent for freedom. But whether a person is able to live a life commensurate with this vocation depends upon society. Every person must be free of degrading dependencies, need and fear, and have the opportunity to develop their capabilities and participate responsibly in society and politics. [But] people can exercise their freedom only if they are secure in the knowledge that they enjoy adequate social protection.«

(SPD Hamburg Programme 2007: 15)

- Freedom is conditional on people's ability to realise it. To that end social arrangements and institutions are needed to make it possible. Formal validity of freedom as a fundamental right is not enough.
- Freedom requires that political decision-making be democratic.
- Freedom is also conditional on people acting responsibly and reasonably. That is a requirement of upbringing and education in a democratic society.

Further reading:

Robert Misik (2015), *Die eigentliche Kraft der Freiheit [The real power of freedom]*, in: Christian Krell and Tobias Mörschel (eds) *Werte und Politik [Values and politics]*, Wiesbaden, pp. 51-60.

Leonard Dobusch (2015), *Digitales Update für die Freiheit [Digital update for freedom]*, in: Christian Krell and Tobias Mörschel (eds) *Werte und Politik [Values and politics]*, Wiesbaden, pp. 61-72.

2.2. Justice

In this chapter

- a general definition of justice as a basic value is proposed;
- justice is distinguished from the concept of equality;
- we present how different historical and present-day conceptions of justice can be distinguished, based on an organising model.

What is just?

Justice is the second basic value of social democracy. The theory of social democracy describes this basic value differently from libertarian theories. But what is justice or even social justice all about?

The philosopher Thomas Heinrichs has provided a helpful definition:

»Justice is a relationship category. It concerns relations between people. Relationships of a certain kind are described as just. Consequently, the question should not be "what is justice?", but "what is justice about?" ... The topic of justice is how the individual stands in relation to the communities of which they are a part, in society, and in relation to other persons with whom they have dealings. ... People feel the need to determine their position in relation to others with whom they come into contact, and to find out how they are perceived, how they are valued. ... If an individual's self-esteem corresponds to how they are judged by others, they feel that they are being treated justly. Such judgement finds expression in the distribution, denial or withdrawal of material and non-material [ideelle] goods.«
(Heinrichs 2002: 207)

Justice is a question of social negotiation...

The concept of justice is, therefore, subject to numerous qualifications. Individually, one can feel oneself unjustly treated, while in terms of society as a whole a »just« distribution prevails. What is just and what is not can be established, therefore, only by societal negotiation and a discussion process. In other words, justice requires:

- that (non-material and/or material) goods are distributed;
- that the distribution of goods takes place in accordance with legitimate distribution criteria, consented to by all;
- that the distribution criteria are easy to understand on an individual basis.³

³ Individual comprehensibility cannot mean, however, that in a democracy all participants have to agree before a particular distribution comes to apply. It means rather that decisions have to be negotiated transparently and on a participatory basis with those affected by them.

This »just distribution« can, from a social democratic standpoint, only be negotiated socially, however, if all persons are at least potentially in a position to participate in those negotiations. That requires a democratic framework with mutual recognition of civil rights and liberties.

If one looks at the three conditions for »justice« it is evident that the decision-making path and »having a say« are key to determining whether a particular regulation is »just«. A social procedure is also needed to organise justice.

Figure 8 depicts a normative basic model or how »just solutions« can come into being.

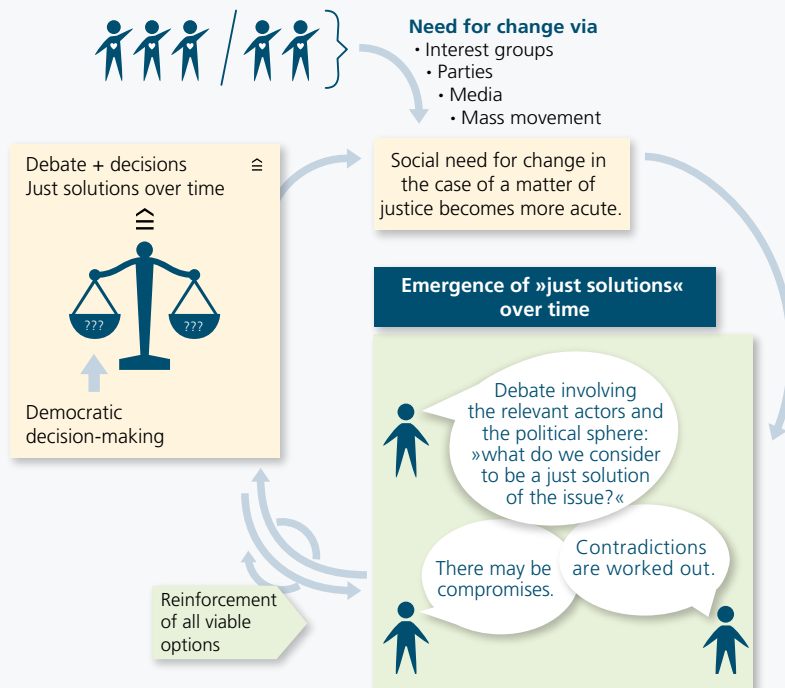


Figure 8: Emergence of »just solutions« over time

Example of the emergence of »just solutions«

The allocation of kindergarten places has to be reorganised in a municipality. Hitherto, the residence principle – »short distances for short legs« – has been applied. Now the town council plans to reorganise allocation. Parents with special social needs – for example, single parents, families with more than three children, low income families – are to be given priority. Other parents – in accordance with income – are to be switched to child minders at slightly higher cost, if there aren't enough places.

In the abstract, this sounds like a »just« or fair solution. However, protests from local parents are inevitable. Such protest cannot be avoided entirely, but the approach the town takes is crucial to the outcome. For example, were the citizens involved in the decision before it was taken? Were alternatives considered? Did the voters know that the majority group in the council were contemplating this change before the last election?

Not everyone will feel fairly treated – that would be impossible. However, the decision can be taken in such a way that as many people as possible regard themselves as well treated.

Legitimacy can be achieved only by means of democratic decision-making. Only the council as a whole has the legitimacy, due to the election, to speak for the majority; or else the decision has to be taken by a ballot of all the citizens.

Finding a fair solution for allocation issues thus requires social negotiation and democratic decision-making.

Justice or fairness is thus not only difficult to define, but even more difficult to achieve. Would it not be simpler to revert to the notion of equality? After all, equality was the main political demand for a long time. Some people hesitate when they have to recall the second of the basic values: is equality the basic value or justice? Indeed, why not equality?

*Equality instead
of justice?*

Wouldn't it be simpler to define equality as »just«?

As tempting as this solution might be, the challenge of legitimising allocation measures via democratic negotiation and getting people to understand them does not go away even in the case of equal distribution.

This can be seen clearly from an example. The »solidarity health premium« – commonly known as the »flat-rate contribution« (Kopfpauschale) – was a CDU demand in the 2005 general election. Essentially, everyone would be required to pay the same health insurance contribution.

The »flat-rate contribution« – an example of unfair equality!

Although this clearly involved equal distribution many people would not be inclined to describe it as a fair solution. The public debate involving interest groups and those affected, reporting in the media and, not least, the CDU/CSU's poor showing in the general election led to a reaffirmation of the existing »fair« solution: in the words of the then SPD leader Franz Müntefering: »strong shoulders should bear more«.

Nevertheless, equality does have a prominent place in discussions of justice, as can be seen if one looks at a range of concepts of justice.

At the theoretical level we can take the following abstract rule of thumb as point of departure: equality is the equal distribution of goods and opportunities. First and foremost, equal distribution is the form of distribution that we should start out from.

Equal distribution is the starting point

»Equality is the point of departure, not the result [of a social] order. In matters of distribution, a basic norm is required in relation to which the justice of any deviating distribution can be judged. This primary norm of distribution is numerical equality – the division of the resources to be distributed by the number of those who have to be taken into account. In contrast to justice, equality requires no criteria. ... When there are no criteria for the distribution of goods in a given case, when there are no grounds on which more should be given to one than to another, in order to avoid proceeding arbitrarily the same must be given to all.« (Heinrichs 2002: 211)

To take an example, at first glance, a fair distribution of a delicious cake at a children's birthday party would be to cut it into equal slices. A »fair unequal distribution« requires negotiation and agreement (for example, distribution in accordance with need, such as hunger).

That is one approach, as far as it goes, to the multifaceted notion of »justice« or fairness. Because it is so multifaceted and emotionally laden a whole series of thinkers have come up with their own ideas about justice. We shall look at a few of them in what follows.

2.2.1. Overview of various concepts of justice

*Useful: Wolfgang
Merkel's system
of coordinates*

There are whole libraries full of literature on justice – merely to provide an overview would require several volumes. For that reason in the present Reader we shall rely on a summary model to point the way.

German political scientist Wolfgang Merkel's model is particularly useful. He developed a system of coordinates to help deal with this issue.

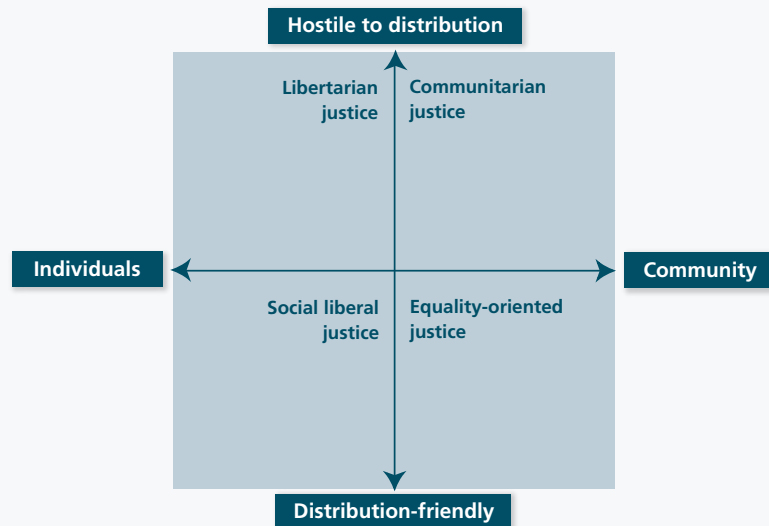


Figure 9: Different concepts of justice (Merkel 2007: 4; modified by Tobias Gombert)

On the horizontal axis the system of coordinates distinguishes whether a theory of justice argues on the basis of the community or the individual. On the vertical axis we can see the various theories' standpoints on redistribution by society or the state. Using his system of coordinates Merkel distinguishes between four main strands of justice theory: libertarian, communitarian, social liberal and equality-oriented:⁴

- Inherent in **libertarian justice** is the notion that a just society hinges on individual freedom. This individual freedom may not be curtailed by social or state redistribution and the »dominion of the community«. This notion of justice emphasises that individuals recognise one another in their equal freedom.
- **Communitarian justice** hinges on the notion that a fair society can be achieved only through the community. Representatives of this line of thought tend to reject »state redistribution«. They prefer voluntary and solidarity-based networks and assistance without state compulsion.
- **Social-liberal justice** is built on the liberal idea that every individual inherently enjoys civil liberties and fundamental rights that the community cannot gainsay. The freedoms, however, must be realistically achievable for all via a negotiated distribution. Thus this notion of justice is »distribution-friendly«.
- **Equality-oriented justice** starts out from the question of equality in the community. This entitlement to equality in the community can justify infringements of the individual's civil rights and freedoms because the community confers these (always equal) rights on the individual in the first place.

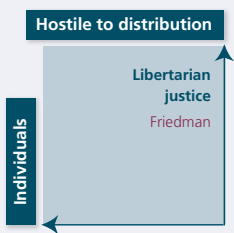
However, it would be unfair to Merkel if one suggested that this constitutes a »simple« categorisation. Rather the four approaches to justice amount to different shades with many transitional forms. A »pure doctrine« in accordance with a particular type of justice is barely conceivable.

For example, distribution-friendly and community-oriented concepts of justice would hardly deny the civil rights and freedoms of the individual. Furthermore, anyone calling for communitarian justice will generally not completely reject welfare benefits and services.

⁴ Merkel terms the equality-oriented concept of justice »Marxist«. Instead, we shall use the term »equality-oriented« because in particular in recent years a number of distribution-friendly and community-oriented concepts have been presented that are not based specifically on a Marxist analysis.

In what follows we shall briefly present some concepts of justice on the basis of the system of coordinates. Of course there is no space to evaluate these complex theories as a whole. Rather we shall restrict ourselves to looking at the core arguments based on Merkel's model.

2.2.2. Libertarian justice – Milton Friedman's neoliberalism



Milton Friedman was a committed and trenchant representative of neoliberal market theory.⁵ His credo was that full freedom is possible only in a largely free market and competition-based capitalism (Friedman 2008: 49-51).

Milton Friedman (1912-2006) was one of the most prominent representatives of neoliberal economic theory.

In 1976 Friedman was awarded the Sveriges Riksbank Prize in Economic Sciences for his work on monetary and consumption theory.

For Friedman freedom was a basic value in itself and competition-based capitalism is a necessary condition of achieving it.

Friedman's conception of society is based on the idea of independent »Robinson Crusoe« households – a »collection of Robinson Crusoes« (Friedman 2008: 36). They can act freely with one another:

*Thought
experiment:
Robinson Crusoe*

⁵ We use the term »neoliberal« here to designate a school of thought in the second half of the twentieth century that professes to take up the liberal theory of John Locke in terms of a strict economic liberal interpretation. The term »neoliberal« describes a political orientation characterised by dismantling the state and privatisation, frequently drawing on the new liberal school for its arguments.

*»The possibility of coordination through voluntary cooperation rests on the elementary – yet frequently denied – proposition that both parties to an economic transaction benefit from it **provided that the transaction is bilaterally voluntary and informed**. Exchange can therefore bring about coordination without coercion. A working model of a society organized through voluntary exchange is a **free private enterprise exchange economy** – what we have been calling competitive capitalism.«* (Friedman 2008: 26, emphasis in original)

The »Robinsons« are free and independently acting persons who conduct transactions with one another to their own advantage. But how can this conception of a libertarian society be combined with a notion of justice? Very simply, because it is dependent on it only to a limited extent.

Here, Friedman bets the farm on the assumption that all Robinsons are equal and that there would not have to be any social negotiation or redistribution.

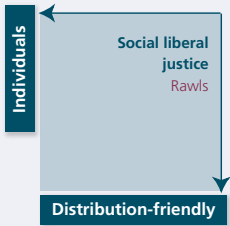
For him, people enter into cooperation always already in »equal market freedom«. As a result he sees no need to reach agreement on norms of justice or fairness in society. Redistribution and community are thus scarcely needed to achieve a fair society.

However, Friedman is not so unworldly as to believe that all general rules for co-existence and a government framework can be dispensed with. »The basic requisite is the maintenance of law and order to prevent physical coercion of one individual by another and to enforce contracts voluntarily entered into, thus giving content to the »private«« (Friedman 2008: 37).

Friedman thus sees, for example, the need to prevent monopolies and to curb »side-effects«; in other words, the consequences for uninvolved third parties. The state or the government to that extent becomes a kind of »referee« (Friedman 2008: 38).

»Equal market
freedom«

2.2.3. Social liberal justice – the example of John Rawls



In his work John Rawls examined how conflicts of interest in society can be resolved if relatively scarce goods are to be distributed fairly. The point of departure for his reflections is thus the assumption that people as individuals in mutual recognition and capable of working things out with one another avail themselves of negotiation to determine what is fair or just. Although this is a thought experiment it is clear that Rawls is drawing on a liberal core of individual civil rights and freedoms.

John Rawls (1921-2002) is regarded as one of the most important moral philosophers in the liberal tradition. He was professor of political philosophy at Harvard University. In 1971, he published his most influential work, *A Theory of Justice*.

His theory of justice was also debated in social democratic circles, particularly in the 1980s and 1990s.

»Veil of ignorance«

How is the thought experiment structured? Rawls envisages people in mutual recognition and with equal rights in a situation in which they stand behind a »veil of ignorance«. No one knows what position they will assume in society. However, all have the common task of negotiating principles of justice for society.

John Rawls asserts that in this situation

- fundamental ideas and general principles for justice can be formulated to which everyone can agree;
- citizens regard one another as free and equal;
- the principles of social cooperation can be discovered.

According to Rawls, the basic order and the modes of procedure that can be agreed by the members of a community (or society) on a consensus basis and under fair conditions can be deemed just or fair.

Exercise for discussion and further activities

John Rawls invites the reader to engage in a thought experiment behind a »veil of ignorance«.

If you accept the invitation, imagine that you are participating in this assembly of free, equal and rational persons:

- On what principles could you agree or which ones are important to you?
- What principles would be controversial?
- By what arguments could controversial points be settled?
- Which of these principles have been realised in contemporary German society and which have not?

Which rules are developed by Rawls with an eye to the »veil of ignorance«? He formulates two fundamental principles:

Principle 1

»Each person is to have an equal right to the most extensive total system of equal basic liberties compatible with a similar system of liberty for all.«

(Rawls 1979: 81)

Principle 2

»Social and economic inequalities are to be arranged so that they are both: (a) to the greatest benefit of the least advantaged (consistent with a just savings principle); and (b) attached to offices and positions open to all under conditions of fair equality of opportunity.«

(Rawls 1979: 336)

The first principle refers to a whole arsenal of basic freedoms that must exist for everyone so that they can exercise their freedoms. The reference to a »similar system« makes it clear that every form of conduct can be abstracted from concrete individuals. In concrete terms, one can therefore talk of »equality before the law« and guaranteed personality rights. The first principle is recognised by almost everyone in the literature.

*Principle 1:
recognised*

Rawls assumes – in the liberal tradition – that the first principle must take absolute priority over the second.

*Principle 2:
controversial*

In contrast to the broadly uncontroversial first principle, the second – the so-called »difference principle« – is rather more difficult. Here Rawls proposes an abstract norm in accordance with which discrimination can be adjudged fair. An unequal distribution can be justified if it meets two conditions:

- if it is to the advantage of those who are worst off;
- offices and positions are open to all.

*Long-term
effects of unequal
distribution*

Rawls formulates the first condition for »just unequal distribution« in terms of the expected consequences of that unequal distribution: if everyone will benefit from it, including the weakest in society, then an unequal distribution (in its subsequent effects) can be classified as just. The effect in question is, therefore, temporally delayed.

»Equitable access«

The second condition refers to equitable access. Only if access to offices and positions is, in principle, open to everyone can unequal distribution be justified. »Fair equality of opportunity« should be distinguished from purely formal equality of opportunity. It is thus not enough that in principle access to offices is open to all – in other words, that anyone can seek political office – because in fact only those have their hands on the controls who already have more money, connections and education.

To take an example, in the United States of America, in principle anyone can put themselves forward as a candidate for the Senate, one of the two chambers of Congress. However, as of January 2014 more than half the members of the US Senate were millionaires, which, needless to say, does not remotely reflect the US population. One reason for this state of affairs is the high campaign costs that candidates in the United States often partly have to bear themselves. In accordance with »fair equality of opportunity« there would, among other things, have to be increasing efforts to bring about public campaign financing.

The education system also has an impact on »fair equality of opportunity«. Formally, at least, a higher education is open to all in Germany. In fact, however, only a small proportion of students whose parents did not receive a higher education receive one themselves. An expansion of the loans and grants available under

the Federal Training Assistance Act (known colloquially as »BAföG«), a more accessible school system with longer comprehensive education and explicit targeting of people – for example, using mentors – who are the first in their family to go into higher education could improve this.

The principles of justice developed behind the »veil of ignorance« are understood by John Rawls to be independent of culture and valid across different societies.

John Rawls's theory really began to make a political impact in the 1980s and 1990s as a counter-view to the market radicalism of the Reagan and Thatcher era and the »spiritual and moral turnaround« called for by the government of Helmut Kohl (for the historical context, see Nida-Rümelin 1997: 15). Rawls's theory has been hotly debated in social democratic circles in particular.

John Rawls's theory is undoubtedly based on the liberal idea of individuals endowed with equal civil rights and liberties. At the same time, his principles of justice are favourably disposed towards distribution.

Rawls's influence

**Example of an application:
progressive income tax or flat tax?**

In Germany there has been a progressive income tax for decades. A certain portion of income is tax-free, after which the next portion of income is taxed at 14 per cent. As income rises, so does the tax rate: on incomes of 52,000 euros and above it is 42 per cent, while for very high incomes above 250,000 euros it rises to 45 per cent. Paul Kirchhof, during his time as CDU shadow finance minister in the 2005 general election campaign, called for a flat income tax rate of 25 per cent for all.

Question: How fair are these two models in light of John Rawls's theory?

2.2.4. Communitarian justice – the example of Michael Walzer



So-called communitarians regard justice as a system of rules that communities form gradually through discussion and co-existence. Thus the communitarians differ markedly from John Rawls.

Michael Walzer (*1935) is one of the most prominent American social and moral philosophers.

In 1983 his comprehensive *Spheres of Justice: A Defense of Pluralism and Equality* appeared.

In his book *Spheres of Justice* American sociologist and philosopher Michael Walzer proposed a new definition of justice from a communitarian standpoint, which has given rise to extensive discussion.

He starts out from a pluralistic society, which manages »to create or restore a social environment that gives rise to strong individuals and provides them with a range of genuinely attractive options« (Walzer 1997: 28).

*Central idea:
different spheres*

These »different options« in a pluralistic society are based, for Walzer, on the fact that people function in different spheres (for example, the market, religious communities, family, education system and so on). In different spheres – according to his argument for a revision of the concept of justice – different forms of justice and recognition also have to be allowed for. Therefore it is not enough to talk of **one** just form of distribution.

For example, in a given society, while in the education system performance might count as a measure of justice, in the health care system the principle of need may apply.

*Injustice in one
sphere ought not
to affect others*

After describing various spheres of justice Walzer calls for a policy of »complex equality« with regard to how the spheres interact. Walzer sees complex equality as in existence when distributions in the spheres function autonomously and are not predetermined by unequal distribution in other spheres. However, this harbours a danger.

»There is also a dangerous tendency for individuals who have acquired superiority in one sphere to use it to improve their position in all other spheres. They use, for example, their wealth in order to buy political office or influence, study places for their children at elite universities or better health care than that available to all others.«

(Walzer 1997: 28)

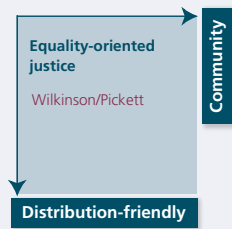
The task of a **»politics of complex equality«** is thus to prevent such encroachments and the supremacy of individual spheres. Walzer makes a clear distinction between his approach and that of socialist conceptions of equality: for example, unequal distribution of the means of production in society is conceivable; what is critical for him is that this unequal distribution does not leak into other spheres.

But why does Merkel categorise Walzer as »hostile to distribution«? Communitarianism has developed primarily in the United States, which has a long tradition of limiting state redistribution, relying instead on an active civil society. Walzer's theory is squarely in this tradition and emphasises voluntary aid, NGOs and civil involvement.

Another peculiarity of Walzer's line of argument is that it starts out from small local entities. The advantage of this concept is evident: dialogue and discussion of just solutions are particularly closely linked to decision-making. However, this also harbours the disadvantage that there is hardly likely to be a balance between entities and inequalities may well become reinforced. A rich area of town can thus distribute a lot, but a poor area very little.

*Context:
Communitarian
developed
in the USA*

2.2.5. Equality-oriented justice – the example of Wilkinson and Pickett



Equality-oriented concepts of justice essentially start out from the notion that equal freedom for all can be achieved only through the community. Social or state redistribution is thus both necessary and justifiable.

Richard Wilkinson (*1943) is a professor emeritus at the University of Nottingham whose research focuses mainly on the issues of health and inequality.

Kate Pickett is an epidemiologist and professor at the University of York. They published the much discussed book *The Spirit Level* in 2009.

»The Spirit Level«

This perspective on justice, too, has a long tradition, from Jean-Jacques Rousseau to Karl Marx and the Marxists. But this line of thought also has advocates in the present, not just in the past. A case in point are Wilkinson and Pickett, who published their empirically-based study *The Spirit Level: Why More Equal Societies Almost Always Do Better* in 2009. The topic of the book is evident from the title: material equality or harmonisation is likely to make everyone better off in a given society. This assertive thesis is backed up by empirical data:

- inequality is established on the basis of international comparative studies and compared with
- statistics that, also internationally comparative, illustrate quality of life in societies for all the people in them. »Quality of life« is established on the basis of a wide range of criteria, such as public health, frequency of mental illness, level of satisfaction and so on.

An example of the wealth of evidence:

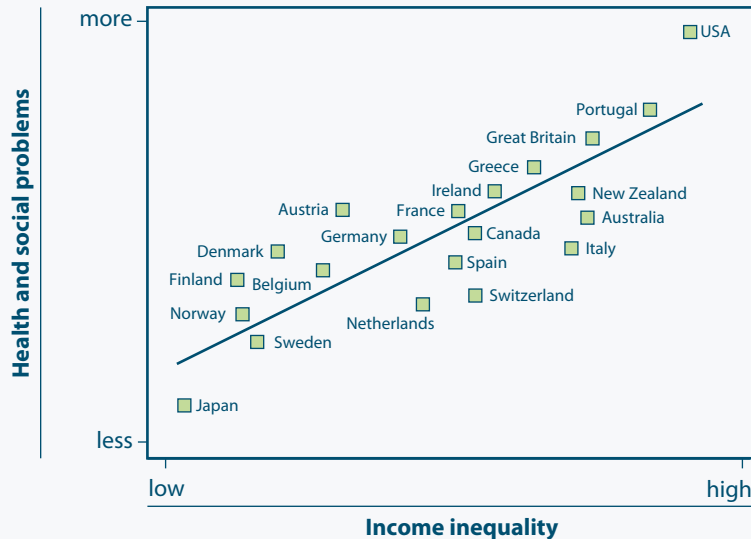


Figure 10: Connection between income inequality and health and social problems (after Wilkinson/Pickett 2010: 34)

Legend: In the figure the values for income inequality and health and social problems in different countries are put into relation with one another. It shows that income inequality and the extent of health and social problems are correlated. That means that countries with lower income inequality, such as Japan, have low health and social problems. In the United States and the United Kingdom, by contrast, both income inequality and social and economic problems are substantial. The black line – the regression line – shows the extent to which an increase in income inequality exacerbates, on average, social and economic problems.

For the classification of concepts of justice that means that social or state redistribution are part and parcel of this view of justice. Furthermore, the study is community-oriented. Although Wilkinson and Pickett also refer to the canon of civil rights and liberties they also take the view that opportunities to realise these rights have to be furnished by society; merely formal validity is not enough.

Further reading:
*Reader 3, Welfare
State and Social
Democracy.
Chapter 3, Justice.*

2.2.6. Excursus: Nancy Fraser's two-dimensional concept of justice

*A two-dimensional
concept of justice*

Supplementing the four main tendencies presented so far, we here present one more notion of justice: Nancy Fraser's two-dimensional concept of justice.

»Theoretically, the task is to devise a two-dimensional conception of justice that can accommodate both defensible claims for social equality and defensible claims for the recognition of difference. Practically, the task is to devise a programmatic political orientation that can integrate the best of the politics of redistribution with the best of the politics of recognition.«

(Fraser and Honneth 2003: 17)

Fraser's thesis here is that every injustice or disadvantage includes both economic disadvantage and a lack of recognition, although to be sure in quite specific proportions.

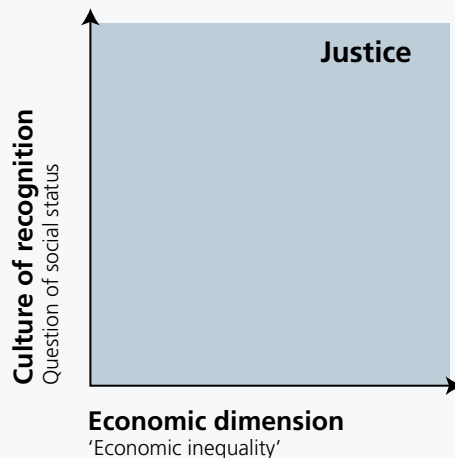


Figure 11: Nancy Fraser's concept of justice

Nancy Fraser (*1947) is Professor of Political and Social Science at the New School for Social Research in New York. She is one of the most prominent theorists of feminism. She has published on feminist theory, the theory of justice and critical theory.

To take an example, discrimination against homosexuals takes place primarily in the realm of status and the respect of society. At the same time, it is inextricably linked to the financial handicap imposed by the taxation of registered life partner-

ships. »Justice« can be achieved here, therefore, only if the specific constellation comprising disadvantages both in status and in the economic dimension is taken into account.

As a second example, take the stigmatisation and exclusion of the unemployed in our society. While their social exclusion is due in large part to their adverse material circumstances, again and again empirical studies confirm that the respect and recognition of society – in other words, social status – represent a serious problem for those affected. In order to realise justice and participation in society, strategies are needed that adequately take into account both dimensions.

Fraser describes, therefore, first of all an analytical procedure for the investigation of discrimination or injustice. However, she also formulates normatively what justice, in her opinion, should be. She understands justice as »parity of participation«:

»The normative core of my conception is the notion of parity of participation. According to this norm, justice requires social arrangements that permit all (adult) members of society to interact with one another as peers. For participatory parity to be possible, I claim, at least two conditions must be satisfied. First, the distribution of material resources must be such as to ensure participants' independence and »voice«. This I shall call the objective condition of participatory parity. It precludes forms and levels of economic dependence and inequality that impede parity of participation. [...] The second condition requires that institutionalized patterns of cultural value express equal respect for all participants and ensure equal opportunity for achieving social esteem. This I shall call the intersubjective condition of participatory parity.«
(Fraser and Honneth 2003: 54)

Practical examples

Justice requires a multi-dimensional strategy

Concept of a »parity of participation«

At this point, Fraser – like Rawls – must specify the criterion in accordance with which she wishes to establish or rule out just or unjust discrimination in the two dimensions. She proposes the following:

»Thus, for both dimensions the same general criterion serves to distinguish warranted from unwarranted claims. Whether the issue is distribution or recognition, claimants must show that current conditions prevent them from participating on a par with others in social life.«

(Fraser and Honneth 2003: 57)

Test procedure

1. *Analysis*: What kind of discrimination are we talking about? How do the two dimensions manifest themselves?
2. *Application of the criterion*: In what ways do social provisions/rules hinder participatory parity?
3. *Alternatives*: What changes and strategies would be needed in order to establish participatory parity?

These test steps (analysis on the basis of both dimensions with reference to concrete instances of injustice, application and alternatives), according to Fraser, are primarily a matter of democratic bargaining and negotiation.

A practical or field test also makes sense here. For example, the discussion of universal (or citizens') health insurance versus flat rate insurance (see p. 33) can be adduced.

Fraser discusses two social strategies to combat injustice (Fraser 2003: 102): affirmation and transformation.

For example, the liberal welfare state represents an affirmative strategy to ameliorate the economic downside of the free market economy. Although the economic discrimination between capital and labour is not abolished, it is moderated.

A transformative strategy would be that advocated by socialists, namely the replacement of the free market economy by a socialist economic system.

Fraser rejects both strategies, introducing a third strategy, which she (after André Gorz) calls »non-reformist reform«. She links this clumsy and not easily understandable concept with a social democratic project:

*Starting point:
»non-reformist
reform«*

»In the Fordist period, [this strategy] informed some left-wing understandings of social democracy. From this perspective, social democracy was not seen as a simple compromise between an affirmative liberal welfare state, on the one hand, and a transformative socialist one, on the other. Rather it was viewed as a dynamic regime whose trajectory would be transformative over time. The idea was to institute an initial set of apparently affirmative redistributive reforms, including universalist social-welfare entitlements, steeply progressive taxation, macroeconomic policies aimed at creating full employment, a large non-market public sector, and significant public and/or collective ownership. Although none of these policies altered the structure of capitalist society per se, the expectation was that together they would shift the balance of power from capital to labor and encourage transformation in the long term. That expectation is arguable, to be sure. In the event, it was never fully tested, as neoliberalism effectively put an end to the experiment.«

(Fraser 2003: 110)

This strategy of »non-reformist reform« is aimed at establishing a via media between social liberal and socialist conceptions of justice.

For further reflection:

How would you insert Nancy Fraser's two-dimensional concept of justice into Wolfgang Merkel's coordinate system?

2.2.7. Dimensions of (in)justice

Finally, as we have already seen with regard to theoretical approaches to justice, questions of justice always revolve around the distribution of material or immaterial goods («distributive justice»), considered to be fair or unfair.

Other concepts of justice

In the political debate other notions of justice or fairness have become established that justify and seek to legitimise the distribution of goods from various standpoints. A new »concept of justice« to that extent always points to a perceived social grievance – in other words, some form of discrimination – that is regarded as unjustified. Familiar examples include »gender equality (justice)«, »intergenerational justice« and »future justice/sustainability«.

We would like to examine two examples of such concepts of justice in more detail: achievement- or merit-based justice and needs-based justice.

Achievement- or merit-based justice. Above all the economic-liberal and conservative camp tends to take the view that achievement or merit justifies being better off in terms of the distribution of goods. Achievement- or merit-based justice is thus conditional on the assumption that distributive justice can be measured by means of the merit or achievement of the individual.

One example of this is the income threshold with regard to health insurance. Above a certain annual income it is possible to choose a private health insurance scheme (and so, as a rule, better treatment if one becomes ill). Many of those on the left are uncomfortable with this or even oppose it outright.

On the other hand, achievement- or merit-based justice is also used as an argument in the labour movement and among social democrats. Don't the workers deserve a larger share of the production of wealth than the factory owner? Haven't they contributed more? One might also raise criticisms today: Does a CEO really contribute so much more to the success of the company than an assembly-line worker? Is the work of a stock market analyst really worth more than that of a doctor or a nurse?

Finally, achievement- or merit-based justice is a principle that can be deployed in relation to the welfare state: according to one commonly held argument, »strong

shoulders must also bear more«. Those who have more also have to contribute more to public welfare. Social security (unemployment and pension insurance) also incorporates the guarantee that one's social status will be maintained: those who have paid in more will also receive more in case of need.

In other words, achievement- or merit-based justice has been taken up by a number of political camps. It has become established as the basis of political argument in favour of unequal distribution. However, it remains first and foremost a relative argument and thereby a matter of social power relations and bargaining.

Example: Popular Initiative 1:12 in Switzerland

In 2009 the Young Socialists in Switzerland instigated a popular initiative aimed at curbing wage differentials in companies. The following text was to be inserted in the federal constitution:

»The highest wage paid by a company may not be higher than twelve times the lowest wage paid in the same company. The wage shall be understood to be the sum of all remuneration (money and the value of goods and services) paid in relation to their employment.«

(Source: www.admin.ch/ch/d/pore/vi/vis375.html, as of 28 October 2014)

How would you have voted?

Needs-based justice. Needs-based justice is concerned with what benefits different persons should receive because their social situation requires it. For example, a person in need might require some sort of care. Healthy persons cannot claim this benefit because they do not have this particular need or their need is not socially recognised. Most social transfers in accordance with the Social Code have a needs-based orientation. Needs-based justice, therefore, has a place in our social system as a principle of legitimation.

2.2.8. Social democracy – what is the right concept of justice?

The normative claim of social democracy is that everybody should be able to enjoy equal civil rights and liberties in practice. In this sense, justice can be understood as enabling all people to live in equal freedom. This normative demand is transposed into legal norms and obligations on the state.

For social democracy there is thus a »corridor of argumentation« in the model described.

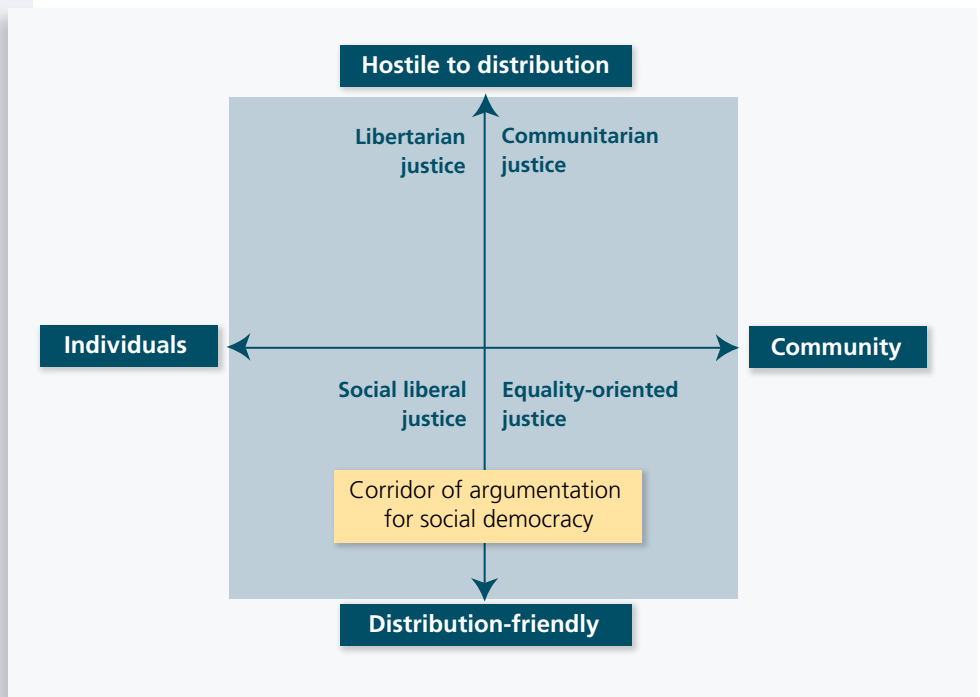


Figure 12: Corridor of argumentation for social democracy's concept of justice

On one hand, it is explicitly »distribution-friendly«. Only in this way can the demand to guarantee all people positive and negative civil rights and liberties on an equal footing be honoured. No distinction can be made between »social-liberal« and »equality-oriented« justice, however.

- Social democracy stands in the tradition of political liberalism. It thus refers to mandatory civil rights and liberties that pertain to all. It is thus based on the individual.
- At the same time, social democracy is oriented towards compensating for social inequalities; in other words, it sees through the eyes of the community. This is because positive and negative civil rights and liberties can be realised only if they can be effectively guaranteed by society and the state.

Only this link can also prevent the potential dangers of the two models, by the way. In the case of a narrow social-liberal line of argument solidarity can be pulverised between the legal entitlements of individuals. Social inequality could become so large that the civil rights and liberties of the weaker members of society could be jeopardised. In a narrow equality-oriented concept it could happen that individual civil rights and liberties may be unduly set aside in favour of social goals.

Further reading:

Ottfried
Höffe (2015),
Gerechtigkeit
[Justice], in:
Christian Krell and
Tobias Mörschel
(eds), Werte und
Politik [Values and
politics], Wiesbaden,
pp. 37-50.

Demands on social democracy arising from the justice debate

- Justice is the fundamental value as far as the distribution of material and non-material goods is concerned. To that extent, social democracy is to be classified as »distribution-friendly«.
- Social democracy has to strike a balance between the demand for civil rights and liberties and social responsibility for implementing them.
- Genuine freedom is inconceivable without justice and equality.
- Justice clearly has to be approached in different ways in different social spheres. Different social spheres – for example, health care, tax policy, education – have to be dealt with individually.
- Equality as the equal distribution of goods is not in need of justification. Deviations from this must be defined and negotiated from the standpoint of justice.

Justice in the SPD's Hamburg Programme

»Justice is grounded on the equal dignity of every person. It is synonymous with equal freedom and equal opportunities, independent of background and gender. Therefore, justice means equal participation in education, work, social security, culture and democracy, as well as equal access to all public goods. Where unequal distribution of income and property divides society into people who give and people who receive instructions it infringes upon equal freedom and is therefore unfair. Therefore justice requires more equality in the distribution of income, property and power.«
(Hamburg Programme 2007: 15)

2.3. Solidarity

Emotional core

One of the least discussed concepts in the literature is that of »solidarity« (or »fraternité« in the French Revolution), even though one rarely hears a political speech these days that makes no mention of it.

The positive core of solidarity is emotional: it encompasses shared humanity and social empathy.

Solidarity can be roughly defined, with reference to a number of authors⁶, as:

- a feeling of community and mutual responsibility, which
- finds expression in behaviour that benefits society, in some cases even against the individual's own short-term interests, and
- goes beyond the formal claim to reciprocal justice.

A question of »social identity«

Solidarity is therefore a question of common »social identity«, which has its source in common values and a similar valuation of specific social shortcomings and needs.

Thus solidarity can be oriented both towards an abstract community and specifically towards particular people and groups.

Solidarity in the SPD's Hamburg Programme

»Solidarity means mutual attachment, belonging and assistance. It is the readiness of people to stand up for each other and to help one another, between the strong and the vulnerable, between generations and between peoples. Solidarity creates strength for change: this is the experience of the labour movement. Solidarity is a strong force that ties our society together, both in a spontaneous and individual readiness to provide assistance, with common rules and organisations, and in the welfare state, which is a form of politically guaranteed and organised solidarity.«

(Hamburg Programme 2007: 16)

Scholarly views on the concept of »solidarity«

Arnd Pollmann

An affair of the heart, rarely successful

A person shows solidarity when they say and also mean: you are not alone! Solidarity today is likely to be exhibited between friends and comrades, whose phantasmal origins, however, are of a familiar nature. There is a solidarity in accordance with the model of sibling love. It is symmetrical and promises: we'll stick together! Another form of solidarity is based on parental care. It is asymmetrical and assures its object: we'll stick with you! The former mobilises cooperation between equals, the latter provides for support between unequals. Nevertheless, in both instances people stick together, for the whole against others, shoulder to shoulder, indeed »solid«. Because solidarity cannot be demanded, resting as it does, like friendship, on free will, it is, as things stand at the moment, a matter of the heart. Is solidarity something »left-wing«? Many people believe themselves to be left-wing because they love »humanity«, but they literally haven't much left after that for their neighbours. People who show solidarity have their hearts in the right place. And we all know which side it beats on.

Rahel Jaeggi

Vague in theory, tested in practice

The concept is ubiquitous and the message is becoming increasingly blurred. The call for solidarity is degenerating into an appeal for a kind of well-meaning sympathy. Or the concept of solidarity is misused by way of compensation to underpin the substitution of institutions of social justice by »civic virtues«. Both fall short of the core of what has made solidarity a key notion of left-wing politics. The fact that solidarity is not asymmetrical pity, but a common practice was the basis of social movements from the labour movement to Third World solidarity. Also crucial to the idea is that solidarity is not to be equated with the unconditional loyalty of cosy communities. On this basis something can be gained even from talk about »the emergence of solidarity out of struggle«, which today sounds rather pathetic. Solidarity is always forged, not merely happened upon. The question of whom I can compare »my own situation« with is not predetermined. Solidarity is always also a result, not just a condition of common practice.

Stefan Huster

Unforgotten, inflationary in its use

When the world was still divided, clear-cut, into good and evil, above and below, it was possible to show solidarity, with a good conscience and a warm heart, with the oppressed and excluded who had joined forces to defend their rights. Thus solidarity became a hallmark of the Left: »Forwards and don't forget...«⁷ Solidarity should not be forgotten today, either – but forwards to where? Every interest-representing organisation now calls for solidarity when it wants to protect its vested rights; and behind the social cohesion that the notion conjures up, often enough one might find a particular interest that wants to assert itself in a closed phalanx or an unreasonable collective demand, which the individual has to put up with unless he wants to be regarded as lacking in solidarity. That's how the idea of solidarity has gone to the dogs: a rhetorical club, invoking communal bliss, to be wielded when you want something from other people. That is all the more tragic because one of the Left's few remaining insights is that it is the most vulnerable who are most reliant on society's support, in other words, solidarity.

Hauke Brunkhorst

Stateless, desperately sought

Solidarity means that there are alternatives on the political stage that affect all, between government and opposition, between progressive and conservative parties, between left and right, between egalitarian and elite politics. Their democratic legitimation is ill served by the fact that such alternatives are no longer represented in parliaments and governments. The institutional forces of parliamentary democracy then no longer organise the formation of the will of the people, but the interest politics of the ruling class. In the period of globalisation political and social governance are being remoulded. A transnational class of united executive forces is emerging, that of the Washington Consensus, global security and policing policy, the »new bourgeoisie« and the fortunate winners from globalisation. If this class can no longer be compelled by democratic politics to recognise and take seriously the alternative of global solidarity, liberalism will degenerate into a »lumpen liberalism« and democratic politics must find new forms that enable it to show public solidarity inside and outside the realm of states.

Source: Zum Begriff der Solidarität [On the idea of solidarity]: Arnd Pollmann, Rahel Jaeggi, Stefan Huster, Hauke Brunkhorst, Ist es links? »Solidarität« [Is it left-wing? Solidarity]; http://www.polar-zeitschrift.de/polar_01.php?id=37#37, accessed on 20 February 2014.

7 This is the opening line of the Solidaritätslied – »Solidarity Song« – by Bertolt Brecht and Hanns Eisler.

But this general definition at least raises a key question, namely: how can we assume a common societal basic value of »solidarity« if the interest groups in our society are so much at odds? This question can be answered only in general terms: we can talk of a common basic value if it has an actual living presence in society. In this connection we have to assume that an attitude of solidarity can be identified only in practice.

Although, in general, the claim to solidarity can be formulated in relation to society, it can only be realised by means of individual behaviour towards others in a specific group. This can be in the family, at work, at a sports club or in political activities.

Even though one can rapidly reach an understanding of what solidarity consists of, the more difficult question concerns how it emerges and can be sustained.

A first hint at how this question might be answered comes from American sociologist and moral philosopher Michael Walzer, who points out that solidarity »can be dangerous when it is only a feeling, an emotional substitute for, rather than a reflection of, actual on-the-ground, day-by-day cooperation« (Walzer 1997: 32).

Solidarity – we can thus conclude – requires cooperation, a group working together, giving rise to a sense of community and mutual responsibility. How does solidarity come into being, then?

Historical roots

Before we take a look at more recent approaches to the question of solidarity, we should first hark back to historical roots and explanatory models. If we take the »emergence of solidarity«, the nineteenth-century labour movement took its bearings primarily from Karl Marx's declaration. With regard to the labour movement Karl Marx and Friedrich Engels had already described the conditions of emergence of solidarity in the *Communist Manifesto* of 1848, defining it as the engine of social change:

*Solidarity has
to be lived*

*Not only a feeling,
but cooperation!*

*How does solidarity
come into being?*

Marx/Engels

I. Slow development of large-scale industry

»The lower strata of the middle class – the small tradespeople, shopkeepers, and retired tradesmen generally, the handicraftsmen and peasants – all these sink gradually into the proletariat ... Thus the proletariat is recruited from all classes of the population ... At this stage the laborers still form an incoherent mass scattered over the whole country, and broken up by their mutual competition« (Marx/Engels, Communist Manifesto, 1848, Section 1, translated by Samuel Moore).

II. Convergence of conditions of life and class formation

»But with the development of industry the proletariat not only increases in number, it becomes concentrated in greater masses, its strength grows, and it feels that strength more. The various interests and conditions of life within the ranks of the proletariat are more and more equalized, in proportion as machinery obliterates all distinctions of labor, and nearly everywhere reduces wages to the same low level.« (Marx/Engels, Communist Manifesto, 1848, Section 1, translated by Samuel Moore).



»Solidarity emerges,
but it is also jeopardised
by competition.«



III. At the same time, however, competition between the workers remains, jeopardising class formation

»This organisation of the proletarians into a class, and, consequently into a political party, is continually being upset again by the competition between the workers themselves« (Marx/Engels, Communist Manifesto, 1848, Chapter 1, translated by Samuel Moore). The capitalists exploit the competition among the workers themselves.

IV. Class struggle before things come to the crunch

Dissolution within the bourgeois ruling class, whose revolutionary portion goes over to the working class. Overproduction, destruction of production and impoverishment of the workers exacerbates the class struggle.

V. New property relations emerge through the abolition of bourgeois property

»Capital is a collective product, and only by the united action of many members, nay, in the last resort, only by the united action of all members of society, can it be set in motion. ... When, therefore, capital is converted into common property, into the property of all members of society, personal property is not thereby transformed into social property« (Marx/Engels, Communist Manifesto, 1848, Chapter 2, translated by Samuel Moore).

Figure 13: Solidarity as the engine of the labour movement according to Marx and Engels

»Solidarity« for Marx and Engels thus emerges historically, when the workers find themselves in similar circumstances – a »class in itself« – which they can change for the better only if they put competition aside and come together in solidarity (a »class for itself«).

In the case of Marx and Engels that certainly refers to capitalism as a whole, but also to the behaviour of the workers in particular situations. Better working conditions were attainable only if strike calls were obeyed by everyone and the pressure on capital owners was sufficient to extract concessions from them. To that end workers mainly had to put up with hunger and misery. Anyone wishing to obtain an impression of how hard that could be can find a realistic depiction of it in Émile Zola's novel *Germinal*.

Already in the nineteenth century, however, the notion of solidarity had become detached from mere class affiliation. This is described by Wilhelm Liebknecht in his 1871 speech »Zu Trutz und Schutz« [On defence and protection]:

Wilhelm Liebknecht

*»People have to grasp that it is more beneficial for them to combine together with their fellows than to be at war with them and thus to live in constant fear and danger. The fundamental principle of all morality – ›Do as you would be done by‹ – is the product of adversity, which evoked an understanding that people have a **solidarity of interests**. To be sure, this solidarity initially applied to only the narrowest circle of members and was gradually extended only by a long schooling in unpleasant experiences. Now we have come so far along the way that the final barriers to solidarity can only be upheld by the force of bayonets. The idea of **general human solidarity** is the highest cultural and moral idea; realising it is the task of socialism.«*

(Liebknecht 1874: 15; Emphasis by Tobias Gombert)

Three present-day angles on solidarity

A lot of water has passed under the bridge since Marx and Engels described the conditions under which solidarity came into being. Social circumstances have undoubtedly changed considerably. In contemporary society we could talk of »solidarity due to a single class situation« to only a limited extent. Although capitalism certainly has not been overthrown lifestyles, sets of interests and milieus have become more and more differentiated.

We shall look in some detail at three different aspects of solidarity:

- **Aspect 1:** How can it happen that people act in solidarity with one another; that is, also act against their own short-term interests?
- **Aspect 2:** How can current forms of cooperation be described and what room do they leave for the »survival« of solidarity?
- **Aspect 3:** Solidarity requires societal (working) forms. What forms of solidarity have developed in our society?

Aspect 1: Solidarity in action – a look at the literature

Although it is not often stated openly, solidarity often encounters two related reservations and misunderstandings:

Solidarity is useful!

The **first misunderstanding** rests on the assumption that anyone who acts in solidarity thereby curtails their own utility; in other words, they renounce something. To go even further, whoever gives priority to their own interests by acting in a certain way is not acting in solidarity. Some may even assume, as a result, that doing business and solidarity are at odds.

Solidarity is rational!

The **second misunderstanding** follows on from that and assumes that consistently acting in solidarity is irrational; in other words, logically it conflicts with one's own interests. This then leads to the assumption that »solidaristic behaviour« must be limited. Solidarity can then potentially be perceived as »an indulgence of the well-off«, something only for those who can afford it.

If these reservations were true it would be a poor lookout for solidarity and solidaristic action.

Can there be a rational justification for acting in solidarity, with benefits for both individuals and society? In fact, Robert Axelrod provided a convincing answer to that effect in the 1980s, in his book *The Evolution of Cooperation*.

Axelrod starts with the classic model for rational decision-making theory, the so-called »prisoner's dilemma«:

Example: the prisoner's dilemma

Two prisoners are suspected of having committed a crime together. They are interrogated in separate rooms and are not permitted to confer about their statements. The maximum sentence for the crime is five years in prison.

If both prisoners decide to remain silent (cooperation) they will each be sentenced to one year in prison for a minor offence. If they both confess to the crime (defection), however, each can expect a prison sentence of one to three years, but not the maximum sentence because they have cooperated with the investigating authorities. If only one confesses (defection) and the other remains silent (cooperation) the first goes free for turning state's witness, while the other receives the maximum sentence of five years.

Axelrod transposes this decision-making game into a simple game aimed at finding out how a player can routinely gather the most points. For that purpose he modifies the prisoner's dilemma somewhat.

In Axelrod's game each player has a red and a black card. The red card signals »cooperation« to the other player, while the black card signals »self-interest«. However, points are garnered from the combination of the cards (see Figure 14).

3	0
5	1

- Each player has a red and a black card
- The person opposite is the game partner
- In each round one card is played by each player simultaneously
- The points are allocated after each round
- Several rounds are played
- The winner is the player with the most points after the final round

Figure 14: Game structure based on the prisoner's dilemma (after Robert Axelrod)

In each round the players play one of the two cards. Depending on the colour combination the players receive points.

The difficulty in the situation for the game partners is clear: if I play »black«, taking each round in isolation, I can get the most points if my partner opts for »cooperation«. Over the long term, however, my partner will then opt for »safety« and also play »black«. If I opt for »cooperation« I have to count on being exploited myself, but over the long term, if my partner goes along with it, I can win most of the time.

Axelrod solicited computer programs from all over the world to compete in a tournament against one another. In the end a program based on the strategy »tit for tat« (»what you do to me, I'll do to you«) won. The strategy was as follows:

- By default always opt for cooperation (»red«).
- If the other plays »black«, however, play »black« in the next round, but then revert to »red«.

By means of this experiment Axelrod was able to prove that cooperative behaviour that does not aim at »maximisation« can lead to better outcomes for both sides in the long term.

Needless to say, this game situation cannot be applied to societies without further ado. However, it does make clear that cooperation and solidaristic behaviour are certainly rational and can be beneficial. Having said that, the game implies two key conditions for solidaristic behaviour:

- Obviously, solidaristic behaviour is conditional on established trust that other people will show the same solidarity as we have.
- Rationally, solidaristic behaviour can be justified only if cooperation occurs over the long term (that is, many rounds are played).

Solidaristic behaviour – we can say with regard to game-theoretical considerations – emerges and experiences a favourable outcome if trust can grow in a community and if long-term cooperation is encountered. Under these conditions it is irrational to opt for short-term benefits.

Aspect 2: Practical cooperation and social solidarity

It was already evident to Marx and Engels that co-existence and cooperation are key to the emergence of solidarity, while solidarity is also an engine for co-existence and cooperation. The world of work has, of course, changed substantially since the time of Marx and Engels. What is the current situation with regard to the interaction of social solidarity and cooperation?

Richard Sennett (*1949) is an American sociologist, who teaches in New York and London. Among other things he is concerned with interpersonal relations in an urban context.

One of the best known scholars dealing with this issue is Richard Sennett, for example, in his 2012 book *Together: The Rituals, Pleasures, and Politics of Cooperation*.

One first finding may be surprising: Sennett does not evaluate solidarity entirely positively. This can be traced to a standpoint peculiar to the US left, which associated solidarity with an abstract way of thinking related to the state. As someone with a background in community work, which primarily develops in a process of dialogue and practical assistance for people to help themselves, he is somewhat sceptical of European-style approaches to the »state«, or rather: he doesn't think they are enough.

He therefore starts out from actual cooperation, which he defines very simply: »Cooperation can be defined soberly as an exchange in which the participants benefit from the encounter. ... They cooperate in order to create something that they could not create alone« (Sennett 2012: 17). This cooperation on an equal footing depends on an ability to communicate empathically and sympathetically:

»Both sympathy and empathy convey recognition and both forge a bond, but the one is an embrace, the other an encounter. Sympathy overcomes differences through imaginative acts of identification; empathy attends to another person on his or her own terms. ... Both forms of recognition are necessary for cooperation at different times and in different ways«.
(Sennett 2012: 38)

*Definitely a
critical viewpoint*

*Embracing or
encountering?*

For Sennett social conditions, on one hand, and practical, local community work, on the other, are the key to a society worth living in. However, this very key is receding into the distance:

»The decisive question for the community worker on the social left is thus how people are supposed to strengthen communities whose economic heart has been weakened. This organ, which has become sluggish, cannot be revived at local level«.
(Sennett 2012: 337)

Sennett describes the weakening of communities in relation to the United Kingdom and the United States:

»Today these powerful influences that make the autarky [independence] of local communities appear ever more improbable are regarded as obvious facts. The retail trade in most British inner cities is dominated by large companies from outside the city and the profits from brandname shops on the main shopping streets do not remain in the community. For example, in 2000 out of every dollar spent in Harlem [in New York] only 5 cents remained in Harlem. Small local businesses have it tough«.
(Sennett 2012: 336)

The Anglo-American societies have been particularly hard hit by this development because they emphasise the charity of the well-off.

Sennett's findings also sharpen our awareness of how solidaristic forms of work develop in our society. Thus not every form of benevolence and altruism also contributes to a solidaristic society. Good deeds alone do not create a socially fairer society, however good and praiseworthy an individual's actions are. The dividing line here is between actions that merely alleviate need and those that also put people in a position to lead a self-determined, secure life on an equal footing.

Aspect 3: Forms of solidarity – examples

Solidarity requires social forms in which it can find expression. Historically, various forms have taken shape and remain powerful organisations even today, with considerable influence and functions in our society.

Three can be taken as examples here.

Cooperatives

In cooperatives people or businesses come together in a joint trading and economic enterprise to back one another up (socially) and support each other and to produce under good working conditions. The first cooperatives in Germany were founded in the middle of the nineteenth century by Hermann Schulze-Delitzsch and Friedrich Wilhelm Raiffeisen, borrowing the idea from Robert Owen.

Robert Owen (1771-1858) was a British businessman and early socialist. In 1799 he managed to show in his cotton mill in New Lanark (Scotland) that good working conditions and high productivity were not mutually exclusive, but go hand in hand. He shortened working time, created affordable housing, introduced pension and health care insurance and as a result increased his company's productivity considerably – not least because of his workers' higher motivation. Owen is considered the founder of the cooperative movement.

The cooperatives are characterised even today by their democratic organisation and stable economic form. Particularly in the wake of the financial market crisis from 2011, but also within the framework of the Energy Transition in Germany cooperatives are once more becoming attractive.

Social insurance

Social insurance was established in Germany in the 1890s with the aim of providing workers with protection against some of life's contingencies (sickness, invalidity and old age). Bismarck was reacting to the growing influence and pressure from the labour movement. Social insurance brought solidarity between workers under the control of the state.

Clubs, parties, trade unions

Clubs developed in Germany from the 1850s onwards. For example, it was permitted – under state control – to form associations of natural persons in order to pursue social, political or cultural goals. Clubs in particular were characterised by their solidaristic nature. In particular the labour movement took advantage of clubs, including sports clubs, mandolin orchestras and even political clubs. One of the best known clubs was the General German Workers' Association (ADAV), from which the Social Democratic Party of Germany developed. The trade unions, too, developed from clubs as solidaristic forms of organisation. Self-help clubs were another important development. A prominent example was the Workers' Welfare (AWO).

Unsolidaristic solidarity?

However, solidarity taken in isolation can also be exclusive and discriminatory: right-wing extremist esprit de corps is one example. For a democratic society that develops itself out of and by means of an open and pluralistic civil society this false form of solidarity represents an immense and still underestimated danger. It oversteps the mark, feeding social cohesion with discrimination against others.

Part and parcel of any discussion of solidarity should thus be the realisation of freedom and equality in a democratic society.

Demands on social democracy arising from the discussion of solidarity:

- Solidarity can be promoted, but not generated by social institutions as a social bond within society.
- In a social democracy the manner in which state and civil society institutions affect solidaristic cohesion has to be examined.
- Any discussion of solidarity should always take place in tandem with the realisation of freedom and equality.

Further reading:

Thomas Meyer
(2015), *Solidarität
und Soziale
Demokratie*
[*Solidarity and social
democracy*], in:
Christian Krell und
Tobias Mörschel
(eds), *Werte und
Politik [Values and
politics]*, Wiesba-
den, pp. 73-92.

2.4. Interaction of the Basic Values

Freedom, justice and solidarity are, within the framework of social democracy, interrelated, mutually supporting and mutually limiting basic values, on an equal footing. They form a substantive context of justification for a social and democratic society.

Freedom cannot do without justice and solidarity. A person's freedom is curtailed, but also boosted by the community of other free people. Positive civil rights and liberties are feasible for all only with cooperation, justice and action in solidarity.

Justice cannot be achieved without freedom and solidarity. Justice contains the principle of distribution of goods in society. Extensive justice comes into being only when the principle of distribution is socially negotiated and sustained. This is conditional on the viability of negotiations among free people. The capacity and willingness to act in solidarity are indispensable here.

Solidarity requires freedom and justice in society. Action in solidarity links free people who want to live out their joint understanding of a just society. Solidarity requires the framework of a democratic society in order to develop and have an effect.

*Relations of the
basic values to
one another*

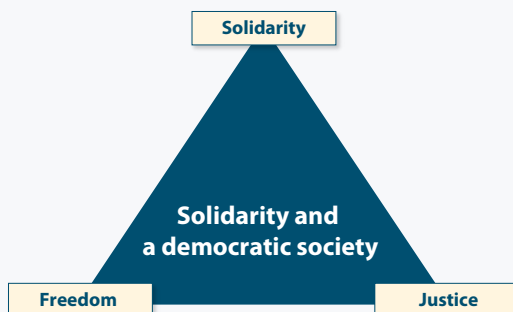


Figure 15: Triangle of basic values in social democracy

Of course, it could justifiably be objected that the basic values do not automatically have to be linked to one another. That is undoubtedly the case, although not, in the final analysis, without resulting in the *reductio ad absurdum* of the basic values themselves.

*The basic values
must set bounds
for one another*

For example, if people exercise their right to freedom without taking into consideration justice and solidarity, this may result in the bondage and suffering of many. Unlimited freedom for some leads to a lack of freedom for many others.

Justice without the mutual recognition of the basic freedoms of other people may lead to distribution on an arbitrary basis. In that case benchmarks will not be socially negotiated and sustained on the basis of which the members of society would be able to recognise when a fair distribution prevails. Before one can participate in a discussion on justice or fairness one requires safeguards in the form of positive and negative civil rights and liberties (social subsistence, education, information through a free press and so on). Otherwise, only those will be able to participate who by chance happen to benefit from these conditions.

Solidarity without freedom and justice leads rapidly to a society based on compulsion, oppression and exclusion. Solidarity then degenerates into a perverse esprit de corps on the basis of which those who do not conform are excluded in short order. In this way solidarity is gutted of its voluntary character. For example, extremist groups can certainly show solidarity to one another, but that may pose a threat to life and limb on the part of outsiders.

Freedom, justice and solidarity depend on one another in a humane society, in which they are inseparable and on an equal footing – that is the core of social democracy.

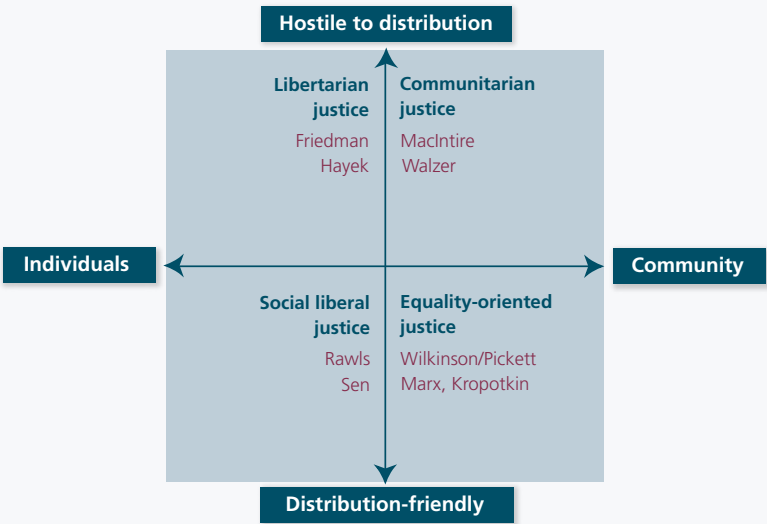


Figure 16: Categorisation of different theories of justice

3. FUNDAMENTAL RIGHTS AND THEIR REALISATION

In this chapter

- the transposition of the basic values of social democracy into fundamental rights is discussed;
- social democracy is distinguished from libertarian democracy;
- the UN Covenants, which form the global basis of claims to civil, political, social, economic and cultural rights, are presented;
- a comparison with Germany's Basic Law is drawn; and
- the question of the enforcement of rights is addressed.

Basic values are an important frame of reference and context of justification for our society, although we may not »demand« their realisation. Basic values do not lend themselves to this because they vary substantially in different parts of the world in terms of outlook and culture.

Whether one assumes that freedom is a matter of »divine mercy« as a gift from God or derives from people's inherent equal worth will lead to different reflections on and interpretations of freedom.

Basic values therefore scarcely lend themselves to definition on the basis of a uniform line of argument in a pluralistic and ideologically open society.

Only if the discussion and negotiation of basic values in our society leads to the adoption of legal rules can people refer to them and derive (legitimate) claims from them. Such a uniform basis for entitlements can be provided only by jointly agreed rules; in other words, rights of which we assure one another in society. At the level of fundamental rights the basic values are transposed into socially binding, democratically legitimate norms of action.

Basic values are thus transposed into rights in societies. Their plural derivation from the basic values specific to individual groups in society is irrelevant for the adopted (legal) rules, however, because they can claim validity independently of them. Basic values, however, remain an important »protective skin« that offer

Basic values can be justified for different reasons

Fundamental rights apply universally

individuals and social groups reasons to demand that their fundamental rights be respected.

These plural justifications also mean that no social group will be able to transpose »its« basic values into law in their entirety.

Rights theory has already developed much further than the discourse on basic values. Wherever human beings live together it has been necessary to define social rules and regulations.

Only with civil society was »the rule of law« engaged on behalf of the basic values of freedom, justice and solidarity and legislation bound to democratic decision-making.

However, it must be asked of all normative theories how they transpose their basic values into fundamental rights. We shall look at social democracy in light of this question below.

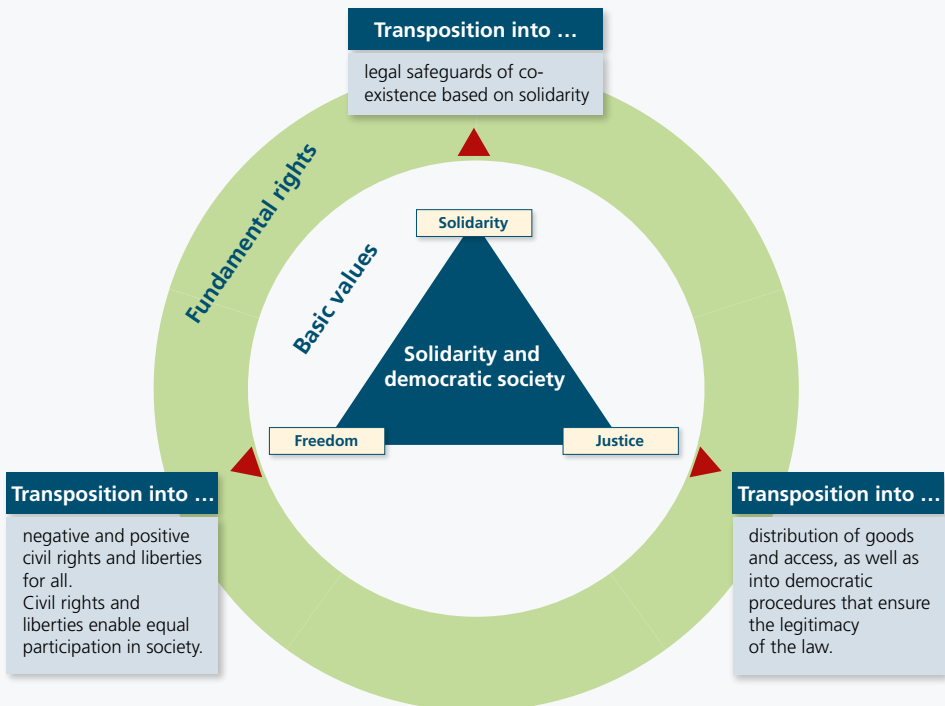


Figure 17: Transposition of basic values into fundamental rights

Generally speaking, the basic values can be transposed into law to varying degrees:

- The question of civil rights and liberties (**freedom** rights) forms the core of legislation. In this context, both negative and positive civil rights and liberties can be enacted in law. The transposition of the basic value of freedom into law is thus particularly strong. Civil rights and liberties also enjoy a special place because while they cannot be implemented without a democratic society, a democratic society cannot be established without civil rights and liberties.
- **Justice** was presented in Chapter 2 as a relative variable, characterised by the fact that it has to be socially negotiated. To that extent, it has to be implemented by means of the social distribution of goods and forms of access. Furthermore, justice and fairness are enacted into law largely by means of democratic procedural and participation rules – in other words, within the framework of the rule of law.
- **Solidarity** as a basic value rests essentially on free will. As a result, it cannot be transposed into law directly. However, forms of solidaristic co-existence and cooperation – such as clubs, cooperatives, trade unions, political parties – require an enabling legal framework to underpin them.

Examples of the legal implementation of freedom

- Right to the development of one's personality
- Right to inviolability of dwelling
- Guarantee of freedom of association
- Right to schooling free of fees and costs
- Right to higher education and educational support free of charge (BAföG student grants)

Examples of the legal implementation of justice

- Right to fair and equal access to justice
- Right to work and appropriate remuneration
- Active and passive suffrage
- Redistribution via a democratically determined taxation system
- Co-decision-making through direct democratic procedures

Examples of the legal implementation of solidarity

- Rights to organise, sign collective agreements and take strike action
- Right of association
- Right to establish cooperatives

The transposition of basic values into fundamental rights is not yet complete. That is true worldwide, but also for Germany. Legal implementation often requires considerable social deliberation beforehand.

Two examples of such deliberations in recent times include the right to nursery school places in the child's first year and higher education without tuition fees. Higher education without tuition fees was implemented only after fierce and protracted debate throughout Germany.

From a social democratic standpoint, study without tuition fees makes sense in terms of the comprehensive implementation of positive civil rights and liberties. From a libertarian standpoint, however, this is not justifiable. The extent to which general rights are anchored depends on the relevant understanding of the basic values.

3.1. Realisation of Fundamental Rights – A Key Issue for Social Democracy

Social democracy, with its particular understanding of basic values, has its own view of their implementation in fundamental rights, in particular because it is oriented not only towards the formal validity of rights, but also considers it necessary that they exert a real effect on society as a whole.

This requires not only far-reaching fundamental rights, but also society's responsibility to guarantee and shape fundamental rights through the active proceedings of the state. In essence that means transposing fundamental rights into specific commitments whose performance can be measured.

The close connection between fundamental rights underpinned by basic values, derived commitments and instruments (see p. 11) is an approach that distinguishes social democracy's line of argument from others.

Thomas Meyer has developed this mode of argumentation in his two-volume work *Theory of Social Democracy* and *Practice of Social Democracy*.

Meyer's book, whose two parts appeared in 2005 and 2006, respectively, distinguishes social democracy from libertarian democracy as a democratic model.

In what follows some of the main theoretical issues in Meyer's argument will be presented, on the basis of which we shall then look at the connection between fundamental rights and obligations and legal texts and state instruments of implementation.

3.2. Social Democracy versus Libertarian Democracy

Since the 1980s so-called »neoliberalism« – based on the notion of a »lean« state and a »free market« – has come to dominate economic policymaking in many Western states. The dismantling or restructuring of the welfare state and market liberalisation were the formative policy aims until the first decade of the twenty-first century (and to some extent remain so even today).

Thomas Meyer (*1943) is emeritus professor of political science at TU Dortmund and one of the most prominent theoreticians of social democracy. He is chief editor of *Neue Gesellschaft/Frankfurter Hefte* and deputy chair of the SPD Basic Values Commission.

During this period Thomas Meyer published his theory of social democracy (2005 and 2006), which confronted the ruling Zeitgeist with an alternative model. To that end Meyer contrasts two different strikingly models of democracy: social democracy, on one hand, and libertarian (»neoliberal«) democracy, on the other.

*Thomas Meyer:
Theory and practice
of social democracy*

The *Theory of Social Democracy* differs normatively, theoretically and empirically from theories of libertarian democracy. Both have their roots in liberal democracy, as it has developed since the Enlightenment in the seventeenth and eighteenth centuries.

This juxtaposition of two theoretical strands of liberalism is a scholarly device: Meyer does not explicitly invoke either socialist or Marxist theories, but rather refers to the progressive core of political liberalism.

*Distinction: libertarian
democracy and
social democracy*

His frame of argument (see figure 18) opens up a space for negotiation between the two poles (libertarian versus social democracy). This is because libertarianism and social democracy – it must be emphasised – are ideal types that are nowhere to be found in a pure form. Rather libertarianism and social democracy are to be defined as poles of a scale. How far a given state tends in one direction depends on the balance of power in society and processes of negotiation.

How can the common basis of political liberalism and the two poles be defined? And what is meant by »balance of power«?

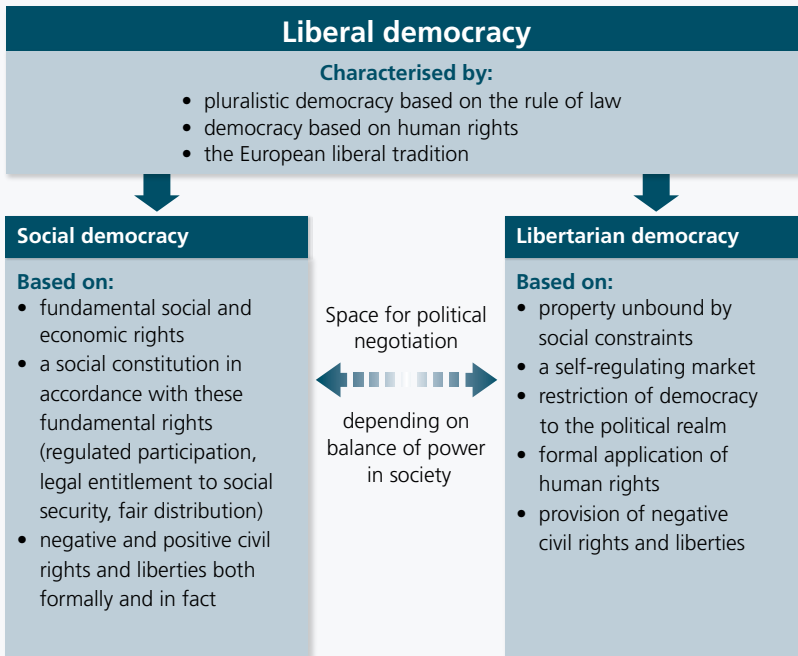


Figure 18: Liberal, libertarian and social democracy, after Meyer (2005)

The two ideal types stand in the European tradition of liberalism, conceived as liberal democracy. Liberalism is characterised by:

- pluralistic democracy founded on the rule of law, which is
- based on human rights.

Libertarian democracy⁸ as an ideal type is characterised by:

- property unbound by social constraints;
- a self-regulating market;
- restriction of democracy to the political realm;
- priority given to negative civil rights and liberties (on this, see above p. 25);
- formal application of human rights.

Basis: liberalism

*Libertarian
democracy*

⁸ It can be seen that »libertarianism« or the libertarian type coincides extensively with »new liberalism« (see below). Meyer's main point in introducing the new concept is that essential ideas of historical liberalism diverge significantly from new-liberal reductionism. By contrast, there are close links between classical liberalism and social democracy.

Social democracy, by contrast, is characterised by:

- the implementation of fundamental rights in both society and the economy;
- a social constitution in accordance with the fundamental rights (both formally and in fact);
- granting and realisation of negative and positive civil rights and liberties (for more on this see below);
- democracy realised in the state, the economy and society.

Ranged between the two poles we find not only the different countries, but also political actors (such as political parties, trade unions, employers' organisations and so on). Depending on the prevailing balance of power and avenues of negotiation different countries tend in the direction of either libertarian or social democracy.

Up to this point Meyer's framework could just be a description of two versions of equal value, between which one could choose freely.

However, Meyer is not content to leave it at that. Rather his aim is to prove that the ideal type of libertarian democracy simply could not work. This is a strong thesis, but Meyer lays it out in detail. In what follows we shall take a closer look at his reasoning.

Why libertarian democracy is contradictory

The reasoning is related to the tensions between the so-called »market« and democracy. Above all the theoretical streams of libertarianism and the theory of social democracy are distinguished by how they answer the question of how democracy and the market are (or ought to be) related to one another.

Meyer describes democracy and market capitalism as two essential aspects of our social system that have developed in tension with one another.

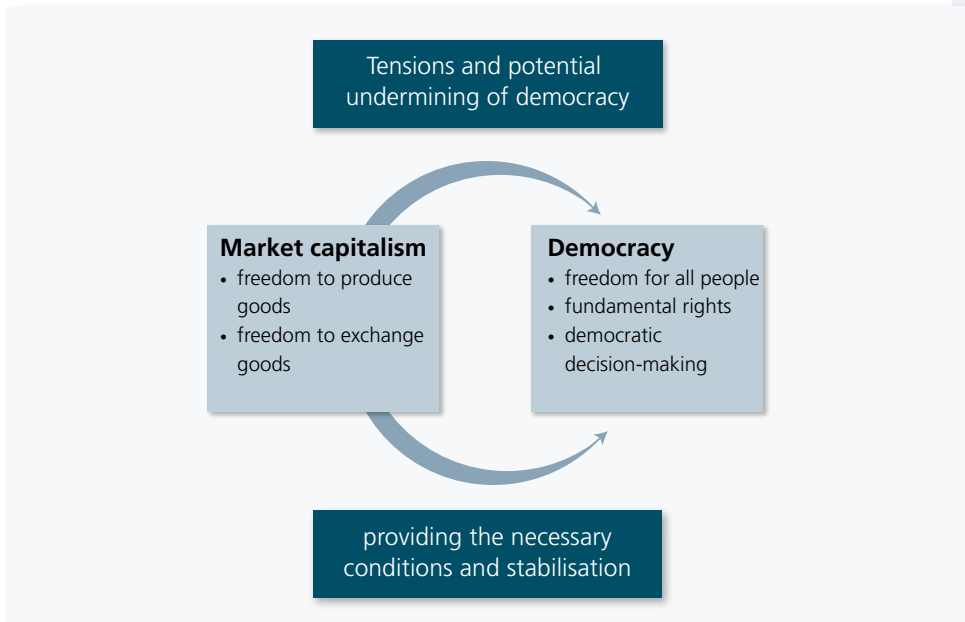


Figure 19: Relations between market capitalism and democracy

Meyer asserts, on one hand, that capitalism and democracy complement one another. Market capitalism furnishes the conditions for the emergence and stability of democracy. On the other hand, an unregulated market undermines the conditions necessary to enable everyone to participate. There is thus a »peculiar tension« between democracy and a market economy.

These contentions are not self-evident. They are certainly only theoretical in nature, but also politically controversial. Some object that democracy and capitalism cannot really be combined. Why does Meyer defend this position despite important counter-arguments?

In response he puts forward two important arguments, one historical, the other empirical.

To take the historical argument first, Meyer finds that democracies generally come into being either in the wake of or in direct connection with the emergence of free markets. In Europe a »model of bourgeois society« prevailed in the various countries, albeit with a time lag:

*The market
stabilises and
undermines
democracy*

Historical argument

»Bourgeois society meant a model of economic, social and political order which made it possible, by overcoming absolutism, privileges of birth and clerical patronage, to realise the principle of legally regulated individual freedom for all; which guaranteed human coexistence in accordance with reason; organised the economy in terms of markets on the basis of legally regulated competition; guaranteed people's life chances in accordance with reason; and both limited the power of the state in the spirit of the liberal constitutional state based on the rule of law, and reined it in by means of public opinion, elections and representative organs in accordance with the will of ›politically mature citizens‹.«
(Kocka 1995: 23)

Free markets, the mercantile bourgeoisie and a notion of civil rights and liberties and their granting by the state have developed in mutual dependence – they cannot be separated from one another historically. Although examples of functioning market economies without democracy can be found today, functioning democracies have developed hitherto only in connection with market economic systems.

Empirical argument

Meyer's second important argument, the empirical one, is derived from research into the conditions under which democracies are stable and how it has been possible to establish them.

These results show that market economies – embedded in the state! – can stand in a positive stabilising relationship to emerging democracies. However, there is also empirical evidence of the reverse case: where economic power infiltrates the political realm, democratic participation is hollowed out in favour of monopolies and insider networks and a defective form of democracy begins to develop, which is formal at best.

This highlights the claim of theories of social democracy that they look beyond the formal constitution of a state and empirically examine whether democratic structures and fundamental rights can really be exercised by everyone.

Taking an overall view, according to Meyer, it can be established that a free market economy can »favour« democracy (see Dahl 2000: 140; Meyer 2005: 581), but that it does not happen as a matter of course. In order to ensure it, the design of democracy has to be subject to specific rules.

Meyer thus does not discern a »simple« or uncritical relationship between democracy and capitalism – that can hardly be the case given the contradictions described above. One therefore has to distinguish the current discussion from its historical emergence.

Where market capitalism is in conflict with democracy

- Market capitalism leads to (economic) inequality.
- Uneven distribution of material resources leads to uneven distribution of opportunities to participate in society and democracy.
- Market capitalism is increasingly operating on a global basis, while democratic participation is largely national. In this way, market capitalism is jeopardising democratic structures in individual countries.

Market capitalism unleashes centrifugal forces that exacerbate inequalities and uncertainties and thus can endanger the foundations of democratic legitimacy and stability. Freedom for markets and freedom for (all) people in one society are contradictory. Tension therefore arises. This tension cannot be removed or negated, it can only be directed. That is the essence of the historical and empirical research on which Meyer's argument draws.

But how can relations between democracy and market capitalism be shaped? According to Meyer, the ideal types of social and libertarian democracy give very different answers.

Social democracy attempts to stabilise the tension in order to take advantage of the market's benefits for democracy. To that end, the positive and negative civil rights and liberties of all have to be balanced and socially guaranteed and organised. That constrains the market and makes it constantly necessary to balance its centrifugal forces and negative effects. It also requires implementation of democratic participation by »force«.

Libertarian democracy, by contrast, gives priority to ensuring a so-called »free« market – purportedly to facilitate freedom in society through the free market – and only secondarily to guarantee democracy. According to Meyer, however, the centrifugal forces of unconstrained markets inevitably hollow out democracy.

*The tension must
be shaped*

Use the market ...

*... or leave the
market to its
own devices?*

This is because in such a model negative civil rights and liberties and protection of the property of a few (rich) people will necessarily mean that not everyone will be able to really exercise negative and positive civil rights and liberties. But that is indispensable for realising democracy on an equal footing for all.

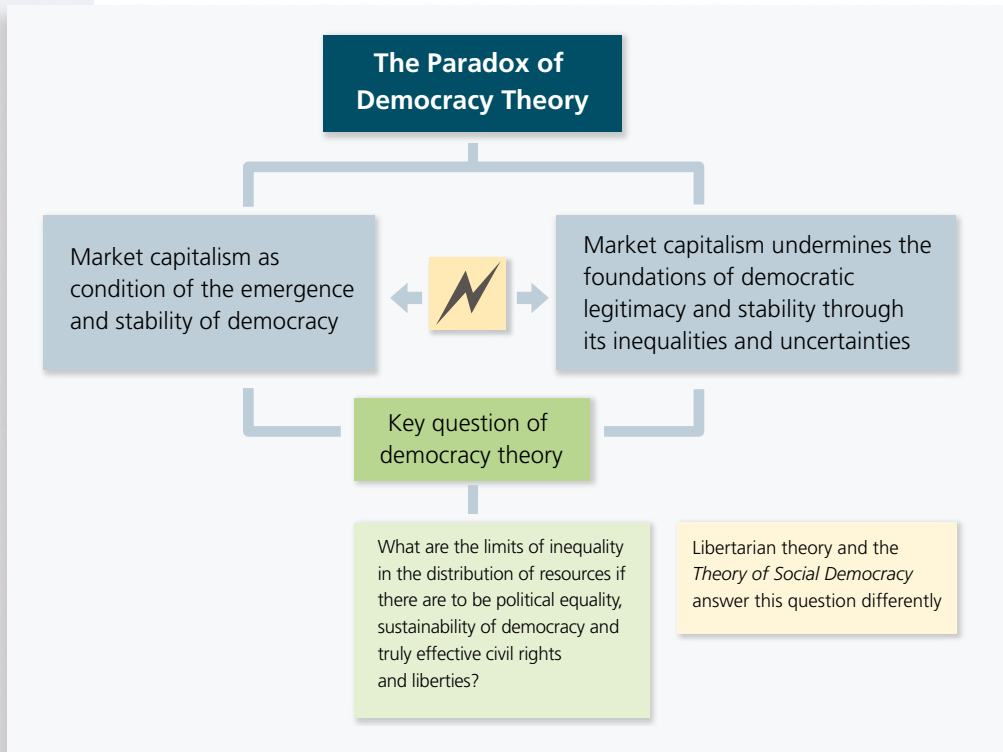


Figure 20: The paradox of Democracy Theory

Democracy and the market economy, according to Meyer, can be »formally« reconciled in a libertarian model, but not in reality.

3.3. Social Democracy and its Implementation in Fundamental Rights

In the conflict between libertarian and social democracy Meyer points to an important circumstance: insofar as it is a theoretical controversy it has to be subject to scholarly criteria.

If the issue is what is socially effective, however, the question is one that can only be resolved democratically.

To that extent, Meyer also asks which model of democracy can be considered to be »established democratically«. His answer is that there has already been a far-reaching implementation of the basic values of social democracy in legally-binding fundamental rights.

He underpins this with reference to the two UN Covenants on fundamental political, economic and cultural rights ratified by over 160⁹ countries. Because these fundamental rights were established democratically the UN Covenants can claim a cross-cultural validity.

If one would like to select the broadest possible basis of argumentation for a theory of social democracy the level of fundamental rights should be taken as point of departure and assessed to determine the extent to which it already corresponds to the normative idea.

The UN Covenants have a number of things in their favour as basis of argumentation:

- The UN Covenants are the most uniform and legally binding cross-cultural and cross-national sources for fundamental rights worldwide. The UN Covenants have been ratified and so have become law in more than 160 countries.
- The UN Covenants are aimed at the social development and diffusion of fundamental rights on the basis of international cooperation. The ratifying states are committed to continually improving the practical realisation of the fundamental rights.
- The UN Covenants contain extremely broad and precise formulations of rights which every individual can claim.

*The UN
Covenants of 1966*

*The UN
Covenants as basis
of argumentation*

⁹ As of November 2014, 168 states have ratified the Civil Covenant and 162 states have ratified the Social Covenant.

The final argument can best be illustrated by means of a comparison between the fundamental rights of Germany's Basic Law and the formulations of the UN covenants:

Area of regulation	Basic Law	UN covenants
Individual right	»Human dignity shall be inviolable. To respect and protect it shall be the duty of all state authority.« (Art. 1)	»Every human being has the inherent right to life. This right shall be protected by law. No one shall be arbitrarily deprived of his life.« (Art. 6, para 1, International Covenant on Civil and Political Rights) »Everyone has the right to liberty and security of person.« (Art. 9, para 1, International Covenant on Civil and Political Rights of 16 December 1966)
Right to work	»(1) All Germans shall have the right freely to choose their occupation or profession, their place of work, and their place of training. The practice of an occupation or profession may be regulated by or pursuant to a law. (2) No person may be required to perform work of a particular kind except within the framework of a traditional duty of community service that applies generally and equally to all.« (Art. 12)	»(1) The States Parties to the present Covenant recognize the right to work, which includes the right of everyone to the opportunity to gain his living by work which he freely chooses or accepts, and will take appropriate steps to safeguard this right. (2) The steps to be taken by a State Party to the present Covenant to achieve the full realization of this right shall include technical and vocational guidance and training programmes, policies and techniques to achieve steady economic, social and cultural development and full and productive employment under conditions safeguarding fundamental political and economic freedoms to the individual.« (Art. 6, International Covenant on Economic, Social and Cultural Rights of 19 December 1966)

Area of regulation	Basic Law	UN covenants
Property/living standards	<p>»(1) Property and the right of inheritance shall be guaranteed. Their content and limits shall be defined by the laws.</p> <p>(2) Property entails obligations. Its use shall also serve the public good.« (Art. 14)</p>	<p>»(1) The States Parties to the present Covenant recognize the right of everyone to an adequate standard of living for himself and his family, including adequate food, clothing and housing, and to the continuous improvement of living conditions. The States Parties will take appropriate steps to ensure the realization of this right, recognizing to this effect the essential importance of international co-operation based on free consent.« (Art. 11, International Covenant on Economic, Social and Cultural Rights of 16 December 1966)</p>
Education	<p>»(1) Every person shall have the right to free development of his personality insofar as he does not violate the rights of others or offend against the constitutional order or the moral law.« (Art. 2)</p> <p>»(1) The entire school system shall be under the supervision of the state.</p> <p>(2) Parents and guardians shall have the right to decide whether children shall receive religious instruction.« (Art. 7)</p>	<p>»(1) The States Parties to the present Covenant recognize the right of everyone to education. They agree that education shall be directed to the full development of the human personality and the sense of its dignity, and shall strengthen the respect for human rights and fundamental freedoms. They further agree that education shall enable all persons to participate effectively in a free society, promote understanding, tolerance and friendship among all nations and all racial, ethnic or religious groups, and further the activities of the United Nations for the maintenance of peace.</p> <p>(2) The States Parties to the present Covenant recognize that, with a view to achieving the full realization of this right:</p> <p>(a) Primary education shall be compulsory and available free to all; [...]</p> <p>(c) Higher education shall be made equally accessible to all, on the basis of capacity, by every appropriate means, and in particular by the progressive introduction of free education...« (Art. 13, International Covenant on Economic, Social and Cultural Rights of 19 December 1966)</p>

With regard to this juxtaposition it should be noted that, in comparison with Germany's Basic Law the UN Covenants contain a much more precise formulation of fundamental rights. They can thus by all means serve to provide a basis of entitlements. Although Article 20 of the Basic Law refers to the Federal Republic of Germany as a »democratic and social federal state«, it contains practical commitments of the kind provided for in the UN Covenants to only a limited extent.

The two UN Covenants provide a subtle and detailed overview of how fundamental rights are gradually to be implemented by means of international cooperation. In the Covenant on Economic, Social and Cultural Rights it says:

»Each State Party to the present Covenant undertakes to take steps, individually and through international assistance and co-operation, especially economic and technical, to the maximum of its available resources, with a view to achieving progressively the full realization of the rights recognized in the present Covenant by all appropriate means, including particularly the adoption of legislative measures.«
(Art. 2, para 1)

A development perspective is therefore inscribed in the UN covenants, that is, an obligation on states to continually promote the realisation of economic, social and cultural rights, based on fundamental political rights, »by all appropriate means«. This contains a call to action in relation to states and the model of an active state.

This notion of a state working actively to realise both positive and negative civil rights and liberties chimes to a considerable extent with the notion of a global social democracy.

The UN Covenants are rather more remote from any notion of libertarian democracy, however.

So far, that sounds encouraging. However, the validity of laws is only the first step; the second is their implementation in social reality.

In many states today, however, the realisation of fundamental rights leaves a lot to be desired.

There is a veritable gulf between legal rights and their implementation. To that extent, critical questions about the value of the UN Covenants are perfectly understandable. Assertive international institutions are lacking, as is, to some extent, even the will on the part of national governments to act in accordance with the very rules they have signed up to; in other words, to take democracy seriously even in the face of economic interests. At the same time, the UN Covenants tend not to be at the forefront of most people's minds and so their realisation is all too often neglected and they are rarely the object of critical political debate.

If social democracy as a theory wishes to examine not only validity but also effects, it has to look at the implementation of fundamental rights in concrete policy action.

4. COMMITMENTS AND INSTRUMENTS

In this chapter

- the implementation of fundamental rights in society will be examined;
- the level of instruments will be presented, and
- on the basis of country studies there will be a discussion of how successfully various states have implemented their citizens' fundamental rights.

The effectiveness of fundamental rights must be monitored

Adopted legal regulations are only as good as their practical realisation in society. Formal validity of fundamental rights is not enough. To that extent a theory of social democracy cannot remain content with the implementation of basic values in law, but also has to examine how states meet their obligations to realise fundamental rights for all.

From the standpoint of social democracy the realisation of positive and negative civil rights and liberties for everyone represents an obligation of the state. In contrast to a libertarian state, fundamental rights are not merely postulated and their realisation left to »the market«. Demands that the fundamental rights of each individual person have real effects are rather the responsibility of the state.

State commitments

States thus have an active role to play and obligations to meet. For example:

- to provide infrastructure and services of general interest that are freely accessible, protective and open up opportunities;
- to afford people opportunities by means of social redistribution to participate actively, in a self-determined manner, in society and in democracy;
- to embed the market economy in such a way that democratic structures and workers' interests are safeguarded and can be represented freely.

Figure 21 provides an overview of obligations and instruments.

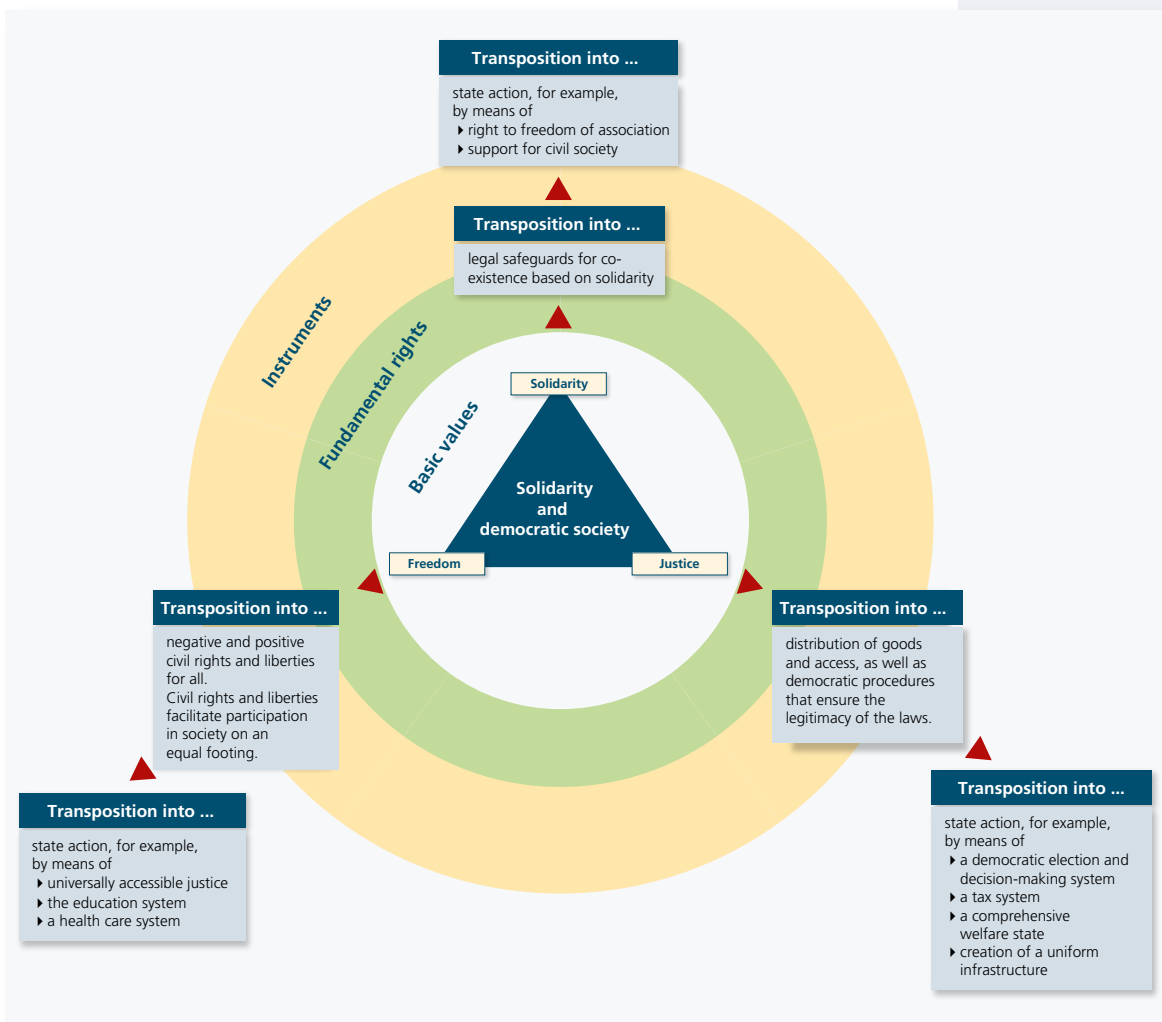


Figure 21: Implementation of fundamental rights in state action

The state instruments by means of which these citizens' entitlements are honoured are not the same in all countries.

This can be shown with a simple example: in Germany a social insurance system has been developed since the 1890s. The social insurance system is a key factor in enabling people by and large to be able to lead a dignified life. At the same time, it was embedded in workers' solidarity and ensured the government – as organiser – loyalty to the state responsible for it.

Example: social insurance

Other countries – for example, in Scandinavia – have a taxation-based social system. Here, too, we can talk – as we shall see in the comparative country studies – of public services and of meeting the entitlements of each individual in relation to the state. Nevertheless the comparison between systems demonstrates differences in degree with regard to how successfully the positive and negative civil rights and liberties are implemented.

The obligation to take action arising from the civil rights and liberties is fulfilled – more or less well – by both forms of organisation.

States can thus use a range of instruments to meet their obligations as they arise from fundamental rights.

*Social democracy
can be realised in
different ways*

Social democracy can thus not be defined as a pre-fabricated template: it is path-dependent, taking different routes in different countries. However, because social democracy does not settle merely for the formal validity of civil rights and liberties each country has to be examined on the merits concerning whether its path-dependent development is really in the direction of social democracy – in other words, whether the country in question has already implemented social democracy or aspires to do so.

In this spirit, Meyer and a team of researchers sought to bolster the theory of social democracy with a cross-country survey. In this study they have examined how robustly various states have implemented the obligations to take action arising from covenants and conventions on fundamental rights.

*Measuring social
democracy*

To that end Meyer and his research team developed an instrument to enable them to measure how strongly countries tend towards a libertarian or a social democracy.

In the relevant country studies the researchers looked at ten social subdimensions. Because social democracy and libertarian democracy are ideal-types the respective extremes between which countries can vary are described for the purpose of illustration:

SUBDIMENSION	Characteristic	
	Social democracy	Libertarian democracy
Political system	The state can use the instruments at its disposal to implement social democracy.	The state guarantees formal participation, but takes no responsibility for providing people with opportunities to realise it.
Public sphere/ public opinion	Public service broadcasters are tasked with promoting political discussion and the formation of public opinion. The media are obliged to provide balanced reporting.	The media are commercial and not subject to constraints with regard to reporting.
Civil society	There is an extensive and active civil society supported and fostered by the state.	Civil society is passive and not organised.
Subsystems of social democrati- sation	Participants benefit from consultation and codetermination, for example, in the education system, workplaces and enterprises.	There is no or only weak codetermination.
Welfare state	There is a welfare state that covers all of life's exigencies, based on fundamental rights.	There are no or only minimal socially organised safeguards against life's exigencies. There may be only or largely market-based social insurance.
Nature of the economy and company constitution	There is a coordinated market economy. Corporate constitutions are also coordinated and guarantee codetermination and consultation.	The market economy is not coordinated. There is no compulsory provision for consultation or codetermination.
Education system	The education system enables people, regardless of their origin, to get an education. Real progress is made with overcoming the effects of class affiliation.	Social class affiliation is carried over from one generation to the next by the education system.
System of fundamental rights	Social and economic fundamental rights are every bit as institutionalised as political fundamental rights.	Only political fundamental rights are institutionalised.
Transnational cooperation	The country endeavours to promote fair coordination between countries over the long term.	The country is oriented towards competition.
Political culture	This is characterised by the equal dignity of all people and by solidarity.	Rather libertarian and likely to accentuate cultural differences.

Figure 22: Juxtaposition: characteristics of social democracy and of libertarian democracy

Table 22 clearly reflects the basic values and fundamental rights. A scholarly examination, however, requires verifiable measuring criteria. Such measuring criteria are of course artefacts of the relevant scholars and researchers. They are thus not set in stone. Their quality is not to be assessed in terms of whether they are right or wrong, but rather whether or not they are contradictory.

To take an example, at the level of values people's health can be accounted for in various ways, such as the absence of diseases or perhaps in terms of individual well-being. These definitions are transposed into different measuring criteria. For example, the absence of disease can be measured on the basis of blood test results and abnormalities, such as a rash or fever. If health is linked to individual well-being interviews may be necessary concerning satisfaction, living conditions and so on. Experience will have shown certain criteria to be more useful than others.

Scholarly criteria can also be defined to indicate the extent to which a given state is implementing social democracy. Meyer works with nine dimensions that refer, on one hand, to how fundamental rights are implemented institutionally and, on the other, to the actual outcomes achieved in that way.

For the present volume we have had the difficult task of distilling brief examples from a comprehensive and subtle cross-national study. To that end we have necessarily abbreviated the measuring system presented above. Anyone wanting a more detailed look at the comparison of different countries should consult the second volume of Meyer's Theory (Meyer 2006).

Five brief examples are presented here, which represent different degrees to which social democracy has been realised:

- the USA, which in terms of its basic features is almost a libertarian country and exhibits only a few elements that realise social democracy;
- Great Britain, which must be considered a less inclusive social democracy;
- Germany, which is a moderately inclusive social democracy;
- Japan, which, although not comparable with Western countries in many areas, can be classified as a moderately inclusive social democracy;
- Sweden, which is a highly inclusive social democracy.

How can »social democracy« be measured? – Meyer's measuring system (Meyer 2006: 489)

1. **Institutionalisation of social and economic fundamental rights:** social inclusion is implemented in the form of enforceable civil rights (in a constitution and legislation).
2. A **welfare state based on fundamental rights** guarantees the implementation of such rights in real terms. Here the question is whether all people have equal entitlements and their extent.
3. The ratio of government expenditure on the **welfare state** to GNP shows the extent to which the state guarantees social fundamental rights in reality.
4. The **viability of a coordinated market economy** can be examined on the basis of countries' economic policies over the long term.
5. **Codetermination in workplaces** and enterprises can be measured on the basis of both legal provisions and in terms of the »level of diffusion« of codetermination.
6. The **poverty rate** provides information on how large a share of the population is excluded from participation in social life because of its social situation.
7. The **social stratification in the education system** shows how much students' opportunities and achievements depend on the social status of the parental home. The lower the dependence, the more opportunities for participation the education system offers.
8. The **employment rate** indicates the proportion of economically active people out of those of working age. Employment or standing on one's own feet is a crucial condition of being able to participate in social, political and economic life on an equal footing.
9. **Income equality** says something about the distribution of opportunities in society. The more unequal incomes are, the lower the degree to which social democracy has been achieved.

Figure 23: Meyer's measuring system for the implementation of social democracy¹⁰

¹⁰ The measuring system comes from Meyer. The explanations are based on the formulations in Meyer 2006: 489.

4.1. United States

Julia Bläsius

*USA: freedom and
social inequality*

For many people, the USA is the land of opportunity and freedom. At the same time, in comparison with Europe it is known for its higher social inequality. But what is the story behind these associations and what are their origins? What is certain is that the USA is a country whose people in many respects purport to value individual freedom above all else, as a result of which society has traditionally been sceptical of a strong state. Early democratisation and the particular political culture that grew up hand in hand with it are among the reasons for this. This affects the political actors, the political system, how fundamental rights are handled and the character of the welfare state.

The USA was one of the first modern mass democracies, which led to the formation of a strong republican ethos in society. Universal suffrage was introduced as early as the Constitution of 1787. While in Europe democracies mostly replaced monarchies and, as a result, found centralistic state structures already in place which had evolved over long periods, in America democracy emerged, so to speak, at the same time as an American state after the War of Independence. This situation has shaped the understanding of the state and the political culture in the USA right up to the present day. Society sets great store in individual freedom and prefers a passive state. As a result, social inequalities are accepted as the natural outcome of human coexistence.

*Freedom as
highest maxim*

The political culture is also very strongly characterised by liberalism, which puts particular emphasis on individual freedom. Unlike in Europe, liberalism in the USA was not challenged by other tendencies, such as conservatism or socialism, as a result of which it was able to establish itself as the dominant principle without real alternatives. Even today, freedom is held out as the highest good in American society.

In keeping with this, the government has traditionally had little scope, but above all little inclination to influence the economy.

Cooperation between the US government and associations of employees and employers is relatively weak. Trade unions are only weakly organised and barely play a role, in consequence of which employment contracts and wages are

negotiated independently and individually. In this respect, the USA faces a characteristic problem of pluralistic democracies. Particular interests can exert considerable influence, but only those that are well organised and financially strong. Broadly-based interests which are at the same time only weakly organised, however, have little impact. This manifests itself in the strong influence of lobby groups and business associations, as well as in the rather negligible influence of ethnic minorities.

How do these facts manifest themselves in the political system and in the architecture of the American welfare state? What kind of understanding of fundamental rights underlies it?

Political system

In the USA, they have a presidential system of government with a dualistic structure, consisting of the executive and legislative branches. The executive power is vested in the President, who is also head of state. The legislative branch consists of the House of Representatives and the Senate, which together make up Congress. The legislative and the executive branches are separate from one another and, at the same time, mutually entwined. This principle of »checks and balances« goes back to the political philosophers Montesquieu and Locke, and is intended to prevent abuses of power. The aim of this system is to effectively protect the citizens' individual freedom against unwarranted power.

Political parties in the USA are, traditionally, not particularly influential, as a result of which party competition does not play a decisive role. Their predominant function is that of election campaign organisations, which organise and run campaigns for certain leading candidates. The parties do not offer a set government programme, either. In Congress, they play a minor role, since, in the first place, they do not have to support a government and, in the second place, the representatives vote rather in accordance with their personal interests than ideologically. Under President Obama, however, the formation of camps was much more in evidence as the Republicans implemented a blockade policy.

The Constitution and the system of fundamental rights

The American Constitution of 1789 opens with the formula »life, liberty, and the pursuit of happiness«. It establishes a federal state with a presidential system of government. It is one of the oldest republican constitutions which is still in force.

What does that mean in concrete terms?

Presidential system of government

Parties as election campaign organisations

»Life, liberty and the pursuit of happiness«

It already included universal suffrage – although only white men who owned property could exercise the right to vote.

Furthermore, the Bill of Rights, which encompasses the first ten amendments to the Constitution, grants American citizens a number of inalienable rights. They are often termed »fundamental rights«. They are all designed to protect individuals against the encroachment of the state. The prevailing constitutional position is that these rights are enforceable for every individual.

*Negative civil rights
and liberties without
positive ones*

This early tradition of so-called political fundamental rights determines American society's understanding of fundamental rights to this day. Although these so-called fundamental citizens' rights or negative civil rights and liberties have been curtailed in the wake of the anti-terrorism measures implemented since 11 September 2001, in the USA they play a central role. In contrast, there are far-reaching defects with regard to economic and social rights and so with positive civil rights and liberties. These are not mentioned in the Constitution, nor has the USA signed any international agreement which stipulates such rights. The welfare state is not institutionalised in the American Constitution, either. As a consequence, citizens are entitled to social benefits only if they pay insurance or are in need. However, the needy are not guaranteed these rights, and Congress can vote at any time to abandon transfer payments.

Political economy

*Uncoordinated
market economy*

The USA can be classified as a liberal or – in other words – uncoordinated market economy. That means that enterprises are in »free competition« with one another and there is little cooperation or coordination with the government or the social partners. Economic life in the USA is chiefly directed towards money-making and growth. (Some areas, such as agriculture or the arms industry, are exempted from this mechanism of »pure competition«.)

Trade unions and employers' associations have been losing members increasingly in recent years and have no influence on wage negotiations or the determination of working conditions. Wage negotiations in the USA take place at establishment level and employment protection is very low. This bestows a high degree of flexibility on the economy and in particular the employers' side, so that people can quickly be hired, but equally quickly dismissed. The training system is also directed towards providing workers with the broadest possible skills and know-how.

The financial system of the USA is also directed towards flexibility. Enterprises finance their activities, as a rule, via the capital markets, as a result of which so-called »shareholder value« – in other words, short-term corporate profits – has the highest priority. There are few close ties to speak of between enterprises and banks in the USA. Relations between enterprises are based on »the market« or enforceable contracts. The now barely regulated US financial system and the fixation on short-term increases in shareholder value have been strongly criticised in the wake of the global financial and economic crisis that was triggered in the United States.

Welfare state

Until well into the twentieth century, the USA had only very rudimentary social security. The Social Security Act of 1937 introduced a national social security system for the first time. This includes a contribution-based pension system, social assistance for needy families, children and old people and a federal unemployment insurance programme. However, the USA today is characterised by a »liberal« welfare state because state benefits are not very comprehensive and scarcely redistributive. One-third of all social benefits come from private providers. The main reasons for this include the political culture and the fact that the USA is usually governed by Republicans or right-wing Democrats, who give the welfare state short shrift. Most areas of the welfare state are therefore strongly conditional in nature and provide a subsistence minimum only in case of need to avert destitution. How difficult it is to make progress in this area in a country pervaded by a (economic) »liberal« mind-set is indicated by the ongoing controversy over the health reforms (such as they are) introduced by Barack Obama.

Unemployment insurance

Although the individual states lay down benefit levels and administer the programme, unemployment insurance in the USA is centrally financed. The unemployed are entitled to assistance for six months, which can be extended by a few weeks in exceptional circumstances. Unemployment benefit corresponds to 40 to 50 per cent of the previous wage.

Income support

Income support or »welfare« in the United States is an anti-poverty measure concentrated entirely on the poorest and often accompanied by stigmatisation. There are also programmes for certain groups, such as dependent children or

*Orientation towards
shareholder value*

*Welfare state
– mirror of US
priorities*

*Unemployment
insurance*

Income support

vulnerable families. Besides financial aid, they often also receive assistance in kind, such as food stamps.

Pensions

Pensions

The US pension system is contribution-based. Citizens pay income tax, which entitles them to a pension. However, only those who have received wages and therefore were able to pay income tax have a right to a pension – others have to rely on welfare. There is also a contribution ceiling for income tax, as a result of which the burden on top earners is relatively light.

Health care system

Health care system

There is no universal, state-financed health care system in the USA. Only three groups benefit from state health care provision: the military, people over 65 and those in need – the latter group in particular is growing ever more rapidly.

Large numbers of people in the United States were for a long time either without health insurance at all or at best underinsured. President Obama's health care reform signals a fundamental reorientation of the health care system. (Almost) all citizens must now take out health insurance, and for their part health insurance companies are obliged to accept everyone, regardless of whether they may have an existing medical condition. The ongoing reform has already substantially increased the number of people with health insurance, although there are still many without insurance, who either have not got to grips with the reform or are not interested in it.

Education system

Education system

The school system is divided into religious and public (state) schools, the latter being organised and financed locally. This is an advantage from the standpoint of self-regulation and participation, but it results in considerable disparities and differences in quality. Because the schools are financed from income tax, well-to-do communities can invest correspondingly high tax revenues in the education system, while poorer communities often have correspondingly lower resources at their disposal for the purpose of education. The place and the surroundings in which one grows up therefore often determine the quality of education. Nevertheless, the American education system overall produces the highest rate of people with a higher education in the world.

United States		
Employment rate 2013	67.4 % (women: 62.3%)	Number of people in employment (15-64) in relation to total population (source: Eurostat)
Unemployment rate 2013	7.4 %	Proportion of unemployed in the economically active population (source: Eurostat)
Rate of long-term unemployment 2013	1.9 %	Proportion of long-term unemployed (12 months or more) in the economically active population (source: Eurostat)
Income inequality/Gini coefficient 2003–2012	40.8 %	Ratio indicating income inequality – the higher the value, the greater the inequality (source: Human Development Report 2014, p. 168)
Education: importance of socioeconomic background for educational attainment 2012	19.8 %	Proportion of students' performance differences in mathematics attributable to their socioeconomic background (source: OECD 2012)
Trade union density 2013	10.8 %	Proportion of economically active population organised in trade unions (source: OECD)
Female MPs	18.2 %	Proportion of parliamentary (Congress) seats held by women (source: Human Development Report 2014, p. 172)
Perceptions of well-being	82 %	Proportion of people satisfied with the range of opportunities they have to determine their lives (source: Human Development Report 2014, p. 220)

Summary

Both the political system and social welfare in the USA are characterised by a weak, passive state, whose professed aim is to grant individuals the greatest possible (negative) freedom. Political fundamental rights have priority, while social and economic rights play no role at all. Consequently, the state barely intervenes to regulate the market or society or not at all.

This is the result of a fragmented, federal political system and a liberal, religious and republican culture. It means that, while the USA does well in terms of economic indicators, such as economic growth, it does rather poorly with regard to the level of social inclusion.

For example, the USA has one of the highest poverty rates among the industrialised countries. The Gini coefficient, which measures the extent of inequality, is also relatively high. In terms of the criteria of social democracy, which requires the granting of positive as well as negative freedoms, the USA comes off badly. Whether one looks at fundamental rights, the political system or the welfare state, it is evident that they all contain numerous libertarian elements. It is a matter of interpretation whether one classifies the USA as a less inclusive social democracy or as downright libertarian.

However, the latter exists in its pure form only in theory: even the USA has a – albeit rudimentary – social security system.

Further reading:

Lew Hinchman
(2006), USA: Residual Welfare Society and Libertarian Democracy, in:
Thomas Meyer (ed.),
Praxis der Sozialen Demokratie,
Wiesbaden,
pp. 327-373.
Winand Gellner
and Martin Kleiber (2007), *Das Regierungssystem der USA. Eine Einführung (The US system of government. An introduction),* Baden-Baden.

4.2. Great Britain

Christian Krell

Introduction

Within the framework of the *Theory of Social Democracy* Great Britain is described as a »less inclusive social democracy«. That means that social and economic fundamental rights – in addition to civil and political ones – do apply there. There is also a welfare state based on fundamental rights in essential areas. Social services are provided only at a low level, however. Fundamental rights have formal validity, but all too often they do not mean much in practice. Great Britain therefore – considered in terms of the categories of social and libertarian democracy – represents the outer limits of social democracy.

The fact that in Great Britain the welfare state is relatively poorly developed is surprising, given that elements of a welfare state developed there earlier than in other European countries. The expansion of trade and technological innovation from the eighteenth century was accompanied not only by gains in prosperity, but also by an increase in the social problems associated with industrialisation: poverty, poor nutrition and health, child labour and inadequate social insurance.

In response to these social failures, the first elements of a welfare state emerged in Great Britain relatively early. Needless to say, at first there was no question of a comprehensive welfare state. The reasons for this are to be sought primarily in the deep structures of Great Britain politics and culture. Liberalism has long played an important role in British political culture. This enabled the development of free trade and economic prosperity and also led to an – albeit limited – extension of political rights. State interference in social matters was rejected, however. Instead, in the eighteenth and nineteenth centuries social and economic policy was shaped by the liberal credo of *laissez-faire*: »Government shall not interfere«.

This lack of development of state social services was partly offset by charitable and philanthropic endeavours. Many charities and private donations led to the emergence of a distinctive non-state welfare structure in Great Britain, which still exists. The problem has always been, however, that not all of the needy benefit from this poor relief.

Besides these charities, many – sometimes relatively strong – trade unions developed in Great Britain in the nineteenth century. In contrast to Germany, however,

*A less inclusive
social democracy*

*Early establishment
of the welfare state*

*Nevertheless
a relatively
undeveloped
welfare state*

*No unified
trade unions*

unified trade unions did not emerge, as a result of which the British trade union scene is fragmented, even today.

The Labour Party – the British social democrats – emerged from the trade union movement in 1900. After the First World War, the Labour Party developed into the second strongest force in Great Britain and in 1945 the first Labour government was elected. Under its leadership, it was possible to significantly extend the British welfare state in the post-war period.

*Post-War consensus
or »social contract«*

The Conservative Party and the Labour Party were in agreement concerning the basic features of the welfare state. The notion of a British post-war consensus is frequently encountered, as well as a »social contract« between the various social strata.

The Thatcher Era

At the end of the 1970s, Conservative Party prime minister Margaret Thatcher brazenly announced the end of the »social contract« and called for the rolling back of the frontiers of the state. In contrast to the political self-conception of the post-war era, she emphasised that the state is not responsible for full employment. Any kind of state intervention in the »free play of economic forces« was to be abjured, in her view. State action should concentrate above all on stabilising the framework conditions for economic activity, in particular the so-called »money supply«. The Thatcher-dominated period of Conservative government – 1979-1997 – was, therefore, characterised by privatisation and deregulation in many sectors of the British economy.

Among the consequences of Thatcher's policies were a significant rise in poverty rates and an increase in social inequality in Great Britain. These and other indicators suggest that, at the end of the Thatcher era, Great Britain could be described as a social democracy only to a limited extent.

*Tony Blair and the
Labour Party*

Only with the election of Tony Blair and the Labour Party in 1997 did Great Britain resume its development towards social democracy. »New« Labour's declared aim of guaranteeing social inclusion for all was supported by a wide range of measures. A massive expansion of social services, in particular in the health care and education sectors, targeted anti-poverty measures and the introduction of a minimum wage are only a few indications of Great Britain's resumption of the social democratic path. A low unemployment rate throughout Blair's period of office and a slightly falling poverty rate – at a time when poverty rates in many OECD states rose substantially – indicate the success of this model.

However, the maintenance of the markedly liberal labour market and liberal economic order of the Thatcher era, Blair's authoritarian approach to the state and, not least, his policy on Iraq as close ally of the USA, mean that the British variant of the »Third Way« was controversial.

Gordon Brown, Tony Blair's successor in the post of prime minister, remained committed to maintaining Labour's fundamental course, but with a number of new emphases. In foreign and security policy the close ties with the United States were developed in the direction of a more balanced relationship. Investment in public services continued, although with a stronger focus on social concerns. The coalition between the Conservative Party and the Liberal Democrats, which was in government from 2010 to 2015, with David Cameron as prime minister, shifted radically to the implementation of an economic »austerity« policy. Deep cuts, among other things in education, social benefits and the NHS again drastically reduced the level of social democracy in Great Britain.

The political system

Great Britain is rightly described as one of the oldest democracies in Europe. Having said that, the British political system has also been described as an »elected dictatorship«. How can these features be reconciled?

This apparent contradiction is resolved by a brief historical digression. Since the Glorious Revolution (1688-89) the British Parliament has constantly gained in importance. Over the centuries, more and more rights that previously belonged to the crown passed to Parliament, composed of an upper (House of Lords) and a lower house (House of Commons). Radical revolutionary change which, in many European countries, led to a separation of powers, never took place in Great Britain. Power, which was originally centralised in the crown, today for the most part lies with Parliament.

Parliament, therefore, has almost unlimited sovereignty and is not limited by a higher jurisdiction or a constitution. This high degree of sovereignty is today concentrated above all in the leader of the majority party in the lower house, the British prime minister.

Two factors further strengthen the power of the government of the day. First, the centralised structure of the British state mean that there are no strong regions or states able to influence the legislation of central government.

Cuts under Cameron

*The British
Parliament*

Strong government

*First-past-the-post
electoral system and
hardly any coalition
governments*

Second, the »first-past-the-post« electoral system means that, generally speaking, one party emerges as clear winner. Coalition governments – other than in times of crisis – are highly unusual. The coalition government of Conservatives and Liberals formed in 2010 was the first for 50 years. Previously, the Conservatives and the Labour Party had taken turns to form the government. Alongside these two dominant parties the Liberal Party can be mentioned as a third substantial force in the British party system (although it was greatly weakened in the 2015 general election). Other parties have not been able to establish themselves at national (GB) level due to the electoral system. In recent years, there have been some changes in the party landscape. Smaller parties, such as the Green Party and the euro-sceptical United Kingdom Independence Party (UKIP) and even the right-wing extremist British National Party have been gaining votes as the established parties lose support. Electoral law results in stable and clear election outcomes at the national level, however. The centralised structure of the state, clear-cut majorities and a sovereign parliament mean that the government has a lot of scope to impose its policies. Consequently, fundamental changes in policy direction can thus be achieved rapidly and across the board. The development of social democracy in Great Britain at least in principle has more of a future than in many other countries.

System of fundamental rights

*Early
fundamental rights*

Great Britain is characterised by another apparent contradiction with regard to fundamental rights. On one hand, with Magna Carta (1215) and the Petition of Rights (1628), the first fundamental rights were guaranteed at an extraordinarily early date, albeit only to a small minority to begin with. These rights were directed primarily against despotism and therefore were negative civil rights and liberties. On the other hand, Great Britain has no written constitution. There is, therefore, no corresponding list of fundamental constitutional rights. However, Great Britain did ratify the UN covenants on civil and political rights and on economic, social and cultural rights in 1976. The European Convention on Human Rights was also incorporated into British law in 1998.

*Are fundamental
rights really
implemented?*

Despite their formal validity, in some areas fundamental rights have little practical effect in Great Britain. For example, traditionally high poverty rates call into question whether the right to a decent standard of living is realised.

After the previous Labour government took power, some fundamental rights were applied more extensively than previously. Examples include the national minimum

wage, established in 1999, and the obligation of employers to apply the same wages and working conditions to part-time employees as to their full-time counterparts.

Political economy

Great Britain belongs to the classical type of liberal market economy. In comparison with coordinated market economies, keenly competitive markets play a more central role.

The high significance of the market is illustrated, for example, by wage negotiations between employers and employees. Because employers' associations and trade unions are only weakly developed and fragmented, wages are frequently bargained on an individual basis between workers and the company. Wages are therefore directly linked to the level the employee can obtain in the market. Participation or »codetermination« – as it exists, for example, in Germany's coal and steel industry – is largely unknown in Great Britain.

It is easy to dismiss employees in Great Britain, owing to the poorly developed employment protection. Having said that, qualified workers are, as a rule, well placed to find a new job in the flexible labour market. In the economic and financial crisis the proneness of the uncoordinated British economy to labour market volatility was strongly in evidence. Unemployment rose more rapidly than in comparable coordinated market economies, such as Germany.

Overall, the length of time individual workers remain at a company tends to be relatively short. As a result, workers do not have much to gain by obtaining qualifications tied to a particular company or branch of the economy. This is one of the reasons why productivity in Great Britain is low by international comparison.

Because of this low productivity – among other reasons – the share of industry in Great Britain economy is meagre. By contrast, the service sector is exceptionally strong. The City of London is one of the world's principal financial centres. Both financial services and insurance are strongly represented there. Around 79 per cent of Britons in gainful employment work in the service sector.

Enterprises in liberal market economies obtain capital for investment predominantly via the financial markets, as a consequence of which they are locked in to chasing rapid returns. More long-term notions of financing, such as Ger-

*Priority given to
»the market«*

*Flexible labour
market*

man-style Hausbanken (literally »house banks« – there is a longstanding tradition of companies in Germany having a strong financial relationship with one particular bank), are almost unknown. For this reason, the British economy is in thrall to short-termism and profit/yield maximisation.

Hybrid character of the welfare state

Welfare state

In comparative welfare state research the British welfare state is generally ascribed a »hybrid character«. This reflects the fact that the British welfare state is subject to a number of different logics, otherwise not generally found in the same system. For example, some welfare state services – for instance, in the health care system – are universally provided, namely to every resident of the country. Other services or benefits are granted only on a means-tested basis, which many regard as demeaning. Nevertheless, Great Britain is considered to be a liberal welfare state. The social security system provides protection against basic life contingencies, while any needs that go beyond this basic provision have to be met via the free market.

Health care system

Health care system

The National Health Service (NHS) is the jewel in the crown of the British welfare state. It is financed from tax revenues and guarantees free medical care and the provision of the necessary resources and medicines. One key advantage of the NHS, besides its universal provision, is its high degree of transparency. However, the NHS has been underfinanced for years, leading to bottlenecks in care provision, which manifested themselves in, for example, long waiting times for certain operations. After 2000, considerable sums were invested in the NHS. Since 2010, however, the Cameron (since succeeded as prime minister by Theresa May) government has pursued a different course, with drastic spending and job cuts.

Social security

Social security

The National Insurance system insures against a range of risks and exigencies, such as old age, unemployment, accidents at work and invalidity. National Insurance financing is contribution-based, in proportion to income. Benefits are flat-rate and provide only basic protection. Anyone wanting to supplement this basic protection must seek it in the free market.

Income support

Income support

National Assistance provides a range of benefits that are available to people who are not entitled to contribution-based benefits and are not in a position to

take advantage of private provision. These benefits are tax-financed and usually strictly means-tested, which means that they are accessible only when the applicant has proved that they are truly in need and have no other possibilities to help themselves.

Education system

In Great Britain, the school system is divided into state and (fee-paying) private (confusingly known as »public«) schools. This division of the British education system is partly responsible for the fact that, alongside a small, highly qualified elite, the general level of education and training is poor. The correlation between social status and educational attainment is plain. Reform and development of the education system was, therefore, one of the professed aims of the previous Labour government. One of the key measures of the Brown government in this policy area was the gradual raising of the school leaving age from 16 to 18. The aim was to end Britain's status as the country with the most 16 to 18 year-olds out of work or not in training. There was substantial investment in the education sector, but also a number of controversial measures, such as the introduction of student fees, the level of which was raised through the roof by the Cameron government.

Summary

From the end of the 1990s, Great Britain resumed its development in the direction of social democracy. The professed aim of the Labour Party was social inclusion for all, primarily through participation in the labour market. Social security was to be targeted at those truly in need, not made available to as many as possible and at a high level. Up to 2009 stable economic growth and a labour market activation policy led to high employment rates and thus falling poverty, on one hand, and to increasing social participation, on the other hand. However, the options made available by Great Britain's political system for rapid wholesale changes of course were never more in evidence than from 2010. The Cameron government chose to implement a severe austerity policy with considerable cuts in social protection.

However, based on persistently high poverty rates, the low level of social benefits and unequally distributed educational opportunities Great Britain must still be described as a less inclusive social democracy and be located at the margin of social democracy. Whether the Cameron/May government will tip the country over the edge in this regard – or has already – is open to debate.

Great Britain

Employment rate 2013	70.8 % (women: 65.9%)	Number of people in employment (15-64) in relation to total population (source: Eurostat)
Unemployment rate 2013	7.5 %	Proportion of unemployed in the economically active population (source: Eurostat)
Rate of long-term unemployment 2013	2.7 %	Proportion of long-term unemployed (12 months or more) in the economically active population (source: Eurostat)
Income inequality/Gini coefficient 2003-2012	36 %	Ratio indicating income inequality – the higher the value, the greater the inequality (source: Human Development Report 2014, p. 168)
Education: importance of socioeconomic background for educational attainment 2012	22.7 %	Proportion of students' performance differences in mathematics attributable to their socioeconomic background (source: OECD 2012)
Trade union density 2013	25.4 %	Proportion of economically active population organised in trade unions (source: OECD)
Female MPs	22.6 %	Proportion of parliamentary (Congress) seats held by women (source: Human Development Report 2014, p. 172)
Perceptions of well-being	88 %	Proportion of people satisfied with the range of opportunities they have to determine their lives (source: Human Development Report 2014, p. 220)

Further reading:

Christian Krell (2006), »Laggard or Leader? – der britische Sozialstaat im Spiegel der Sozialen Demokratie«, in: Thomas Meyer (ed.), Praxis der Sozialen Demokratie, Wiesbaden, pp. 130-241.

Alexander Petring (2006), »Großbritannien«, in: Wolfgang Merkel et al. (eds), Die Reformfähigkeit der Sozialen Demokratie, Wiesbaden, pp. 119-53.

4.3. Germany

Christoph Egle

Given the political and economic situation in which Germany found itself after the end of the Second World War, the Federal Republic¹¹ can be considered a »success story« for social democracy. Doubts whether Germany, after the end of Nazi rule, could ever become a peaceful and democratic country have largely been dispelled by the stability of democracy in the Federal Republic and its anchoring in a vital civil society. Admittedly, the democratisation of state and society fully asserted itself only at the end of the 1960s. The shame of Nazi rule and the collapse of the Weimar Republic left an enduring mark on Germany's political culture. By way of illustration one might mention the renunciation of nationalistic rhetoric and a deep-seated scepticism concerning extremism of any kind. In contrast, the search for compromise and finding the »mean« are important virtues in the Federal Republic.

Alongside the successful (re-)democratisation after 1945, the »economic miracle« also contributed to the emergence of the Federal Republic as a model for other Western industrialised countries, based on an almost unique combination of economic performance, political stability and social balance. German social democracy, too, identified itself with the social and economic order of the Federal Republic, which it regarded as the realisation of its political values. For example, during the 1976 general election the SPD campaigned on the idea of »Model Germany«. After reunification, however, it became increasingly apparent that the Federal Republic was no longer living up to this model role, having fallen behind in terms of economic growth and job creation. It is curious that a number of the factors advanced in the 1980s as reasons for the success of the »German model« were, in the 1990s, identified as reasons for Germany's »decline«. Prominent among them was the system of government, which had been slow to adapt to changing economic conditions (globalisation), and certain structures of the welfare state, which in some areas had proved to be impediments to employment (especially for the low qualified and women). On the other hand, it is a historic stroke of good fortune that the Basic Law has remained in place, which was originally envisaged only for a transitional period.

*A success story for
social democracy?*

»Model Germany«

11 Unfortunately, for reasons of space we cannot discuss developments in the DDR.

Negative and positive civil rights and liberties in the Basic Law

System of fundamental rights in the Constitution (Basic Law)

Taking on board the failure of the Weimar Republic, the first 19 articles of the Basic Law (*Grundgesetz*) anchor the fundamental human and civil rights and liberties as law which virtually takes precedence over the state, the essential content of which cannot be altered by Parliament. Included are both the so-called liberal rights of privacy against the intrusion of the state in the private sphere (»negative freedom«) and democratic rights of participation (»positive freedom«). Social entitlements, such as the right to work, to accommodation, to education or to a minimum income are not cited in the Basic Law, although they are in the constitutions of some federal states (*Länder*). No specific economic system is provided for by the Basic Law, but it does contain a number of bulwarks against both an unregulated market capitalism and a socialist planned economy. For example, in Art. 14 of the Basic Law property and right of inheritance are safeguarded, but the use of property »shall also serve the public good«. This postulate found practical political expression in the concept of the »social market economy«.

High degree of separation and limitation of powers

Political system

The system of government was also shaped in such a way that a failure of democracy should no longer be possible. For this purpose, a high degree of separation and limitation of powers was put in place, whereby the power of the executive was restricted to a greater extent than in almost any other democracy. These bulwarks against an overmighty state include the federal system and the participation of the federal states in federal law-making (through the *Bundesrat*, the upper house of the German parliament), the strong position of the Federal Constitutional Court, the independence of the Bundesbank (later succeeded by the European Central Bank), the delegation of some state tasks to civil associations and, finally, the participation of the social partners in the administration of the social security system. On the basis of this »fettering« of state power the American political scientist Peter Katzenstein once declared that the Federal Republic was a »'semi-sovereign« state – it is important to consider, in this connection, that until 1990 the Federal Republic was not fully sovereign with regard to foreign policy, either.

Central role of political parties

This institutional obligation to balance different interests has done the Federal Republic of Germany no harm at all – the system of government is characterised by a high degree of efficiency and representativeness. The parliamentary system has proved to be sufficiently open to allow social development (for example,

the emergence of new parties) and, at the same time, has fostered stability in the formation of governments. External expertise is brought in in the legislative process; representatives of affected interest groups are regularly consulted. The political parties play the central role in decision-making, however; this also applies to appointments to public offices. In this way, they perform an important mediating function between society and state. Because the parties are involved in, besides the Federal government, 16 state (*Land*) governments, they are almost never exclusively government or opposition parties. This applies in particular to the two major parties, the SPD and the CDU/CSU, so that the Federal Republic is never far away from a formal or informal »grand coalition«. This impetus towards cooperation has led, in particular in economic and social policy, to a »policy of the middle way« (Manfred G. Schmidt), which fits in seamlessly with Germany's political culture, as described above.

Party competition and the federal system of government can, however, combine to bring it about that important decisions can be blocked or unsatisfactory compromises reached due to party politicking. Instances of this multiplied after 1990, when, after the re-establishment of German unity, the number of federal actors increased and the necessary changes were not made quickly enough in the face of accelerating globalisation. Due to its tendency towards inertia, the political system's orientation towards stability – long a success factor – became a problem. For a number of years, reform of the federal system has been under way with a view to making it more »decision friendly«.

Political economy

Germany is a typical example of a so-called coordinated market economy, in which enterprises obtain financing through long-term credits from their »house banks« (see above), unlike in a liberal market economy, which relies on the capital market. The resulting interdependence of industry and the banking sector is a central characteristic of »Rhine capitalism«. Based on »patient capital«, in this model strategic enterprise decision-making is possible within the framework of a longer time horizon than in the case of the short-term shareholder value orientation. Also typical of »Germany AG« is the – by international comparison – far-reaching workers' participation in enterprise management, with regard to both establishment-level participation (organisation of workplaces, work routines and personnel matters) and enterprise-level participation (with workers' representatives on the supervisory board of public limited companies and other

Strengths and weaknesses of Germany's orientation towards stability

»Rhine capitalism«

*Codetermination
and free collective
bargaining*

Further reading:

*Reader 2, Economics
and Social
Democracy, Chapter
6. 3. Germany.*

*Conservative/
corporatist
welfare state*

Further reading:

*Reader 3, Welfare
State and Social
Democracy.*

large joint-stock companies). In keeping with this, social relations are fundamentally characterised by partnership and cooperation. Wage formation is subject to free negotiations between employers and employees (free collective bargaining), largely organised in national peak organisations. Industrial conflict is relatively rare by international comparison and usually of short duration.

However, in recent years this model of the coordinated market economy has been showing signs that it is coming apart at the seams. This is due, on one hand, to globalisation or the – related – growing inclination of German firms to participate in international financial markets and, on the other hand, to the erosion of industrial and social relations as both trade unions and employers' organisations continue to lose power and, thereby, the ability to coordinate.

Welfare state

The Federal Republic of Germany is the classic example of the so-called conservative/corporatist welfare state, also known as the »Christian-democratic« or »Bismarckian corporatist« type. This terminology makes it clear that the German welfare state was not, in the first instance, created by Social Democrats, but owes its historical emergence above all to conservatives and Christian Democrats. After the Second World War, the expansion of the welfare state was driven by two welfare-state parties, the CDU/CSU and the SPD.

Despite being a financial behemoth, the German welfare state is characterised by only moderate redistribution, because existing social disparities are often perpetuated. Examples include different social insurance and care systems for different occupational groups. Mandatory social insurance applies only to employees; the self-employed and civil servants, in contrast, can insure themselves against social contingencies privately or are subject to a separate insurance system (for example, civil service pensions).

The pillars of the German welfare state are various independent social insurance systems, which are financed by the workers' – assessment-based – mandatory contributions. In addition, subsidies are provided from the Federal budget, either when required or – as in the case of pension insurance – continuously. Because the costs of the welfare state primarily fall upon wages, and so increase the cost of labour, this mode of financing has proved to be an obstacle to job creation, in particular in labour-intensive service branches. Insurance benefits are more or less

based on the equivalence principle, which means that the longer an employee has paid contributions or the higher their income, the higher the benefits. This employment-centred system can pose problems for people with less stable working lives, because they are able to acquire only limited social protection.

Pensions

The standard pension level paid by statutory pension insurance (without supplementary company insurance) came to about 49.6 per cent of average earnings in 2012. Both average earnings (27,139 euros a year) and the average pension (13,465 euros a year) are calculated as net income before tax. The current legal situation is that the pension level will fall to around 45 per cent in the long term. To compensate for this decline people are being encouraged to take out a fully funded supplementary pension by means of state subsidies and tax concessions. If a person's pension entitlements remain below the level of income support a basic insurance comes into play for those who have reached old age.

Pensions

Unemployment insurance

»Unemployment benefit I«, paid by the unemployment insurance fund, comes to 60 to 67 per cent of the previous wage, according to family status. It is paid out for between six and 24 months, depending on the length of contributions and the age of the recipient. After this entitlement has ceased, tax-financed »unemployment benefit II« can be obtained, at the level of income support. Receipt of unemployment benefit II or income support (for those incapable of working) is conditional on a means test; in addition, the economically active are expected to be willing to work and to provide evidence that they are seeking employment. These welfare benefits are a legal entitlement, which guarantees a socio-cultural subsistence minimum for all.

Unemployment insurance

Health care system

The benefits of statutory health insurance are good by international comparison, and the system is correspondingly costly. Children and inactive spouses are co-insured with their parents or economically active partner and those receiving social benefits receive automatic statutory health insurance coverage. The self-employed, civil servants and workers with high incomes are not obliged to pay mandatory insurance and can insure themselves privately, often on more favourable conditions.

Health care system

Education system

The education system is more or less the sole responsibility of the federal states and shows significant regional differences in terms of structure and quality. While many states can compare with the best internationally, in other states students are below the OECD average. By international comparison, it is also clear that in few other countries is educational success so dependent on students' social origins – in other words, in Germany, the aspiration of equal opportunity has scarcely been attained. However, the system of dual vocational training remains exemplary, by international comparison, despite regular bottlenecks with regard to the availability of apprenticeships. This system makes possible occupational qualifications geared to companies' needs and links them to compulsory school attendance, providing an all-round education.

Summary

»Model Germany« was long held up as an example and remained a highly inclusive social democracy well into the 1970s. As a consequence of the exigencies of German reunification and globalisation, however, this pre-eminence has been lost. In the meantime, Germany can rather be considered a moderately inclusive social democracy. Among other things, the mode of financing the welfare state has proved to be detrimental. Since the mid-1990s, first the Kohl government, then, after some hesitation, the Schröder government tried to bolster the competitiveness of the German economy by reorganising and partly dismantling the welfare state and by adapting the social security system to demographic ageing and changing family structures. These reforms met with considerable resistance in some quarters. In all likelihood, however, it will not be possible to raise the employment level without them. It remains to be seen whether in future Germany will be able once more to approximate a highly inclusive social democracy. The introduction of a statutory minimum wage is regarded by many observers as an important step in this direction.

Further reading:

Christoph Egle
(2006), 'Deutschland: der blockierte Musterknabe', in: *Thomas Meyer (ed.), Praxis der Sozialen Demokratie, Wiesbaden, pp. 273-326.*

Peter J. Katzenstein
(1987): *Policy and Politics in West Germany. The Growth of a Semisovereign State, Philadelphia.*

Manfred G. Schmidt
(2007), *Das politische System Deutschlands [Germany's Political System], Munich.*

Germany

Employment rate 2013	73.3 % (women: 68.8%)	Number of people in employment (15-64) in relation to total population (source: Eurostat)
Unemployment rate 2013	5.3 %	Proportion of unemployed in the economically active population (source: Eurostat)
Rate of long-term unemployment 2013	2.4 %	Proportion of long-term unemployed (12 months or more) in the economically active population (source: Eurostat)
Income inequality/Gini coefficient 2003-2012	28.3 %	Ratio indicating income inequality – the higher the value, the greater the inequality (source: Human Development Report 2014, p. 168)
Education: importance of socioeconomic background for educational attainment 2012	23.3 %	Proportion of students' performance differences in mathematics attributable to their socioeconomic background (source: OECD 2012)
Trade union density 2013	18 % (2011)	Proportion of economically active population organised in trade unions (source: OECD)
Female MPs	32.4 %	Proportion of parliamentary (Congress) seats held by women (source: Human Development Report 2014, p. 172)
Perceptions of well-being	90 %	Proportion of people satisfied with the range of opportunities they have to determine their lives (source: Human Development Report 2014, p. 220)

4.4. Japan¹²

Eun-Jeung Lee

*Japan – an
exceptional case*

In academic debate, virtually no country has been subject to such a variety of interpretations as Japan. In particular with regard to the welfare state or the »welfare society«, the perceived image of Japan ranges from a liberal-conservative welfare regime with strongly »social democratic« features to a »classless society in the Marxist sense«.

*Low social
expenditure as a
proportion of GDP*

Conditions in Japan cannot easily be summarised in the usual terms. Every prime minister since 1955 – with a short interruption in 1993-94 – has come from the conservative Liberal Democratic Party (LDP). In 2009, by contrast, the centre-left DPJ (Democratic Party of Japan) achieved a majority for the first time.

With regard to public expenditure on social provision, Japan stands at the lower end of the scale among the highly industrialised countries. In 2005, Japan had – with 22.9 per cent – a below average social expenditure as a proportion of GDP among OECD countries, well below that of Germany (31.1 per cent) or Sweden (33.6 per cent).

*Highly efficient
social security
system*

However, Japan also stands out as having the highest life expectancy in the world, in particular for women; an extraordinarily low rate of infant mortality; and a remarkably balanced income distribution. All this is strong testimony to the efficiency of the Japanese social security system. In addition, according to opinion polls, 90 per cent of Japanese people consider themselves members of the middle class. Of late, however, social inequality has been deepening and poverty has been rising.¹³ The rising social inequality is due first and foremost to the growing proportion of people in precarious employment, estimated at 36.6 per cent in 2013. The proportion is even higher among young people.

Given this complex state of affairs, the subject of Japan must be approached with great caution. Too often, discussions of Japan are reduced to dichotomous questions: Is Japan unique or not? The answer must be »yes and no«. In Japan, as in all other societies, both unique and comparable elements can be found. It is not a matter of dichotomous alternatives, but rather of coexistence.

12 This text is based on Eun-Jeung Lee (2006), »Soziale Demokratie in Japan. Elemente Sozialer Demokratie im japanischen System« [Social democracy in Japan. Elements of social democracy in the Japanese system], in: Thomas Meyer (ed.), Praxis der Sozialen Demokratie, Wiesbaden, pp. 374-444, adapted in some places.

13 The Japanese government reported a poverty rate for the first time in 2009. It was estimated at 16 per cent and had scarcely changed by the time of the last survey in March 2014.

Political system

Japan's political system can be characterised as a parliamentary democracy. The role of the emperor is largely ceremonial. On one hand, the Constitution of 1947 guarantees citizens' fundamental rights and, on the other hand, political contestation and decision-making are based on political parties.

The post-War development of the political system can be divided, broadly speaking, into three phases. The first phase (1945-55) was that of post-War reconstruction; the second phase (1955-93) is generally known as the »'55 system«; while the third phase (after 1993) is regarded as one of political reform.

The designation »'55 system« derives from the fact that both the main pillars of this system – the LDP and the SPJ (Socialist Party of Japan) – were founded in 1955. In 1955 the Liberal Party (*Jiyuto*) and the Democratic Party (*Minshuto*) merged to form the conservative LDP, while the left- and right-wing socialists formed the SPJ. To begin with, it was hoped that this would develop into a two-party system on the English model. In the course of the 1960s, however, it became clear that a single party-dominated system had emerged, comparable to the hegemony of the Social Democratic Party in Sweden, the Christian Democratic Party in Italy and the National Congress Party in India. Apart from a ten-month break between August 1993 and June 1994, the LDP's dominance of parliament has been uninterrupted since 1955, including the post of prime minister. The governments headed by the centre-left Democratic Party of Japan (DPJ) between 2009 and 2012 were able to break this monopoly of power only for a while. Since December 2012 the LDP has again enjoyed a stable majority in the lower house of the Japanese parliament and since summer 2013 has also had a majority in the upper house, with the help of a coalition partner.

The Constitution and the system of fundamental rights

The Constitution of 1947, introduced by the American Occupation Administration under the leadership of General Douglas MacArthur, came into force on 3 May 1947. In itself, the Constitution is very progressive. Besides Art. 9, which prohibits remilitarisation, Art. 25 lays down that:

*Development of
the political system
in three phases*

*Dominance of a
conservative party*

*»Progressive«
constitution*

»Every citizen shall have the right to maintain the minimum standards of wholesome and cultured living. In all spheres of life, the State shall use its endeavours for the promotion and extension of social welfare and security, and of public health.«

Art. 27 of the Constitution declares that »Every citizen shall have a right and an obligation to work.«

*Commitment to
a welfare state*

The Supreme Court, as the highest court in Japan, has repeatedly found that Art. 25 does not comprise an enforceable right, but rather is to be understood as a programme statement. As a result, this commitment to a welfare state rather serves as a basis for the state and legislation.

This anchoring of the right to work and fundamental social rights in the Constitution obliges the Japanese government to institute an employment policy and a welfare state. Consequently, the creation and maintenance of jobs has an important place in the Japanese welfare system, while the social security systems – pension, health care, care and unemployment insurance – must be established on a sound financial footing on the part of the state.

Political economy

*Coordinated market
economy based on
enterprise networks*

Japan belongs among the so-called »coordinated market economies«. In Japan, the state has a key role in economic planning. However, networks of enterprises, known as »keiretsu« and comprising cross-sectoral groups or families of companies, play the main role in economic coordination.

Japanese enterprises are financed by long-term bank credits, which gives them a relatively high degree of certainty with regard to planning, allowing them to concentrate on long-term enterprise development.

Training systems and technology transfer processes are also organised in accordance with *keiretsu* structures. Workers are encouraged to acquire group-specific skills and in return can count on lifelong employment. Trade unions are also organised on an enterprise basis, which gives the workforce participation rights in company affairs.

On the part of the state, immediately after the Second World War and into the 1960s the labour market and employment were the priorities. At the end of the 1960s and the beginning of the 1970s the LDP government began – at first, under pressure from the social policy measures of »progressive«, that is, communist or social democratic mayors – to comprehensively expand social security. In the wake of the oil crisis, the brakes were applied to this expansive social policy, although it was not reversed. The social partners and state actors were in agreement that the active state labour market policy must be expanded in the face of increasing global integration and its dangers.

*1960s: labour and
employment policy*

Various measures were introduced within the framework of active labour market policy, including wage subsidies, emergency loans and financial help for further training. Expanding employment and very low unemployment rates – up to the second half of the 1990s – testify to the success of this policy.

*Active labour
market policy*

Welfare state

Although Art. 25 of the Japanese Constitution contains a clause on the welfare state and, on account of this, laws were reformed or newly enacted in many areas as early as 1947, Japan long remained – in contrast to its economic dynamism – a late developer in social terms. In addition, in comparison with other OECD countries, Japan is persistently found at the lower end of the scale in terms of state social benefits as a proportion of GDP.

*Comprehensive
social provisions
at company level*

However, looking at state social benefits in isolation gives only a partial view of the welfare state in Japan, because company social provisions there are extensive, amounting to at least 10 per cent of the Gross Social Product. On average, companies spend the equivalent of around 570 euros a month per employee in statutory social contributions and almost 1,000 euros for company social benefits.

On top of that, the Japanese welfare state system seeks to foster social equality or social integration, not indirectly by means of social transfers to individuals, but rather by means of labour market and employment policy measures.

Pensions

As part of the 1973 reforms, pensions for so-called »benchmark pensioners« under the employee insurance scheme were raised to 45 per cent of the average wage and linked to the cost of living index. Pension reform in 1985, how-

Pensions

ever, gradually increased contributions and lowered pension payments in order to counterbalance the effects of the rapid ageing of the Japanese population. So-called national pension insurance was introduced as a contribution-based mandatory insurance for all citizens. It is intended to ensure a basic level of provision. The pension reform of 2004 brought in a gradual raising of pension contributions from 13.56 per cent (2004) to 18.3 per cent (from 2017). Pension payments have been on a downward slope since the 1990s.

The average old-age pension under the national pension system was around 405 euros a month in 2012. In 2012, 93.3 per cent of all citizens over 65 received a national pension. In most cases, people also receive a company pension, averaging around 1,116 euros a month in 2012 and corresponding to 50.1 per cent of average earnings, or a lump sum of up to 64 monthly wages on reaching the company retirement age.

Health care system

The health care system is based on the principle of universality and the state guarantees, besides the medical care programme, that health protection will also be extended to uninsured and needy persons. Reform of employee medical insurance in 1984 introduced a personal contribution of 10 per cent, which in the meantime has been raised to 20-30 per cent. This brought it into line with national medical insurance under which insurance is provided to those who are not or are no longer members of an employee medical insurance scheme, such as the self-employed, farmers, employees of small companies and family members. The personal contribution under the national medical insurance scheme has been 30 per cent for quite a while.

Education system

Education has high status in Japan's welfare system. In 2012, over 97 per cent of Japanese who completed compulsory schooling (nine years) went on to the three-year upper secondary level. If distance-learning schools and evening schools are also included, this goes up to 98 per cent. Nevertheless, state expenditure on education is very low by international comparison, at only 3.3 per cent of GDP in 2006. The Japanese Education Ministry explains this by the relatively high proportion of private educational institutions: for example, 77.5 per cent of Japanese universities are private.

Japan		
Employment rate 2013	71.7 % (women: 62.5%)	Number of people in employment (15-64) in relation to total population (source: Eurostat)
Unemployment rate 2013	4 %	Proportion of unemployed in the economically active population (source: Eurostat)
Rate of long-term unemployment 2013	1.7 %	Proportion of long-term unemployed (12 months or more) in the economically active population (source: Eurostat)
Income inequality/Gini coefficient 2003-2012	No data	Ratio indicating income inequality – the higher the value, the greater the inequality (source: Human Development Report 2014, p. 168)
Education: importance of socioeconomic background for educational attainment 2012	13.7 %	Proportion of students' performance differences in mathematics attributable to their socioeconomic background (source: OECD 2012)
Trade union density 2013	17.8 %	Proportion of economically active population organised in trade unions (source: OECD)
Female MPs	10.8 %	Proportion of parliamentary (Congress) seats held by women (source: Human Development Report 2014, p. 172)
Perceptions of well-being	70 %	Proportion of people satisfied with the range of opportunities they have to determine their lives (source: Human Development Report 2014, p. 220)

Further reading:

Eun-Jeung Lee (2006), 'Soziale Demokratie in Japan. Elemente Sozialer Demokratie im japanischen System', in: Thomas Meyer (ed.), Praxis der Sozialen Demokratie, Wiesbaden, pp. 374-444.

Summary

In Japan, all the elements of a social democracy are in place. Nevertheless, unlike the other social democracies looked at here, this social democracy came into being without a strong social democratic party or social democratic ideological foundations. Japan's bureaucratic, academic and political elites are characterised by their willingness to seek sustainable solutions regardless of ideology or dogma and for that purpose gather and assimilate information, ideas and concepts from all over the world.

One weakness of the Japanese system is that it remains largely tied to Japanese citizenship. Traditionally, in Japan the integration of foreign minorities has received little consideration, in either theory or practice. Labour immigration began long ago, however, and is likely to increase in future. There is also room for improvement with regard to gender equality. Furthermore, the number of permanent employees has fallen and that of people in precarious employment has increased markedly.

These unresolved problems cast something of a shadow on social democracy in Japan, with its well developed and efficient social security systems.

Based on the extensive and efficient social security systems on one hand, and the abovementioned drawbacks and problems on the other, Japan can be described as a moderately inclusive social democracy. This is particularly interesting because Germany is also categorised as a moderately inclusive social democracy, despite the fact that its state organisation and welfare and economic models are fundamentally different.

4.5. Sweden

Niels Stöber

By international comparison Sweden remains a model social democracy. It appears to have managed, even in an age of globalisation, to have retained an expanded public sector and comprehensive public (financial) social security provision: access to education from pre-school to university is still free for all Swedes and public health care is free for all, apart from a consultation fee. Besides that, Sweden still has an impressively high level of trade union organisation and relatively low income inequality.

Against this background it is interesting how much Sweden's politics and economy have been shaped by its relatively rapid transition from an agrarian to a service-based society and a strong labour movement, represented by social democracy and the largest trade union peak organisation LO. Especially in the decades after the Second World War the organised labour movement was able to construct a welfare state that served as a beacon of social democracy well into the 1980s. This proved possible because of Sweden's characteristic and singular labour market policy model based on full employment, solidaristic wage policy and strict monetary policy.

Nonetheless over the past 25 years even Sweden has been undergoing a structural and discursive transformation as a result of economic globalisation, EU membership and several economic and financial market crises (most notably in 2008). The Swedish welfare model has been changing since, at the latest, the mid-1990s; especially after the centre-right »Alliance« assumed the reins of government in 2006 it appears to have reached its limits, with increasing marketisation of social policy, gradual tax cuts and a growing acceptance of restrictive and supply side-oriented labour market policy.

Furthermore, since the Social Democrats lost the general election in 2006 they have lost discursive hegemony concerning the »Swedish model«. Sweden is thus a good example of the conflict between the tradition of a former welfare state and its transformation by globalisation, on one hand, and the growing power of centre-right parties and the attempt to maintain the foundations of a highly inclusive social democracy, on the other.

*Sweden as
model country*

*Rapid transformation from an
agricultural to a
service-based
society*

*Changes in the
past 25 years*

*Consensus and
integration
characterise the
political system*

Political system

Consensus, negotiations and integration play key roles in Sweden's political system. Accordingly, the legislative process in Sweden is characterised by a high level of institutionalised participation on the part of civil society. The process commences with a government resolution to set up a committee to examine the basic facts of the case. Although the government generally takes the initiative the *Riksdag* or national legislature, state authorities and even social groups can also do so. The committee, consisting – in accordance with the law – of politicians, experts and representatives of the relevant social groups, adopts an opinion that represents a basis for discussion. This so-called »remiss procedure« is predicated on the notion of a society oriented towards compromise and consensus.

*Long period of
social democratic
dominance*

The Social Democratic Party played a dominant role in Sweden's party landscape, especially between 1930 and 1970, but by and large right up until the early 2000s. In the Great Depression in the 1930s it ran counter to the economic mainstream by implementing a credit-financed public employment programme to improve infrastructure, as well as the housing situation of large families.

Long-serving prime minister Tage Erlander underlined the political impetus of the employment programme as follows: »In central Europe they built barricades on the streets. In Sweden we tried to make progress by [keeping the traffic flowing].« The success of employment policy not only contributed to the electoral success of the Social Democratic Workers' Party of Sweden (SAP), but also boosted its membership and that of the LO, the Swedish trade union confederation, which historically is a close ideological ally. The dominance of social democracy was also fostered by the fragmentation of the centre-right opposition. This enabled Social Democrats to form single-party minority governments that could procure assent even across party lines.

*2006: centre-right
»Alliance«*

Things changed fundamentally with the formation of the »Alliance« of the four centre-right parties – Conservatives (Moderaterna), Liberals (Folkpartiet/De Liberala), the centre party (Centerpartiet) and the Christian Democrats (Krisdemokraterna) – in 2004 and their election victory in 2006. Since then block formation has been a key feature of Swedish politics, with the emergence of centre-left (Social Democrats, Greens and the Left Party) and centre-right (»Alliance«) groupings. On one hand the Social Democrats' dominance is a thing of the past and on the other, room has been opened up for the right-wing popu-

list Sweden Democrats (Sverigedemokraterna), which emerged from the 2014 general election as the third strongest party, with 12.9 per cent.

Even if after the election victory of the centre-right block in 2006 a solid majority of the parties still favoured the welfare state, the »Alliance« government did introduce in some respects fundamental changes to Swedish welfare policy. As a result of continuous income tax cuts, strong supply side-oriented labour market policy measures to activate the unemployed (not unlike the Hartz IV reforms in Germany) and extensive privatisations – not least in the welfare sector – many consider that the foundations of the Swedish model face fundamental change.

Political economy

Traditionally, Swedish economic policy is based on the so-called Rehn-Meidner model, named after trade union economists Gösta Rehn and Rudolf Meidner. In 1951 they developed a macroeconomic model which was supposed to render full employment compatible with a »solidaristic wage policy« without leading to inflation.

*Rehn-
Meidner model*

The basic idea was that permanent full employment can be achieved by means of generally high aggregate demand, whether this be generated by favourable global developments or by national economic stimulus programmes. Because individual branches of the economy always grow at different rates persistently high aggregate demand rapidly leads to bottlenecks. In order to be able to maintain growth nevertheless the sectors affected try to lure workers from other branches. In the case of full employment this can be achieved only by bidding up wages and thus is accompanied by price increases in these sectors. To balance the loss of purchasing power wage increases ensue, resulting in general price increases and thus inflationary developments in the economy overall.

Solidaristic wage policy

On top of all this, the Swedish trade union confederation has pursued a so-called »solidaristic wage policy« since the end of the Second World War. This has two main aims. On one hand, the idea is to implement the principle of »equal pay for equal work« in accordance with the development of average labour productivity. On the other hand, the wage gap between different jobs is supposed to be reduced. Achieving this goal is conditional on giving precedence to central wage

negotiations ahead of those at lower levels. In order to prevent the outcomes of a solidaristic wage policy from being lost to inflation the Rehn-Meidner model recommended a tight public monetary policy that curbs aggregate demand by means of budget surpluses.

This kind of economic policy puts low-productivity companies on the defensive in two ways: on one hand they face sales problems because of their poor cost and price structure, while on the other hand the solidaristic wage policy exacerbates their already difficult cost situation and lack of competitiveness by implementing wage demands in all branches and all enterprises in line with the development of average labour productivity. Correspondingly, it benefits highly productive companies in two ways: first, because of their favourable cost and price structure they enjoy adequate demand and second, wage agreements oriented towards average productivity do not exhaust the funds available at high productivity companies for wage rises, thereby giving them a capital injection that they can use to create new highly productive jobs.

*Unemployment
as a task of
public adaptation*

Low productivity companies and their employees thus lose out from the combination of restrictive fiscal policy and solidaristic wage policy. The resulting unemployment was not regarded defensively as a public problem, but proactively as a public adaptation task, to be addressed by means of an expanded active labour market policy.

The aim is to qualify the unemployed for productive and thus well-paid employment by means of an extensive system of training activities and mobility support. In these terms the restrictive fiscal policy, solidaristic wage policy and active labour market policy work in the direction of the constant renewal and structural adaptation of the Swedish economy to the demands of the global economy.

Economic and welfare policy began to face new circumstances in the 1990s

The Rehn-Meidner model exerted a decisive influence over Sweden's economic and labour market policy between 1950 and 1970. From the mid-1970s at the latest, however, the weakened position of the LO trade union confederation from that decade onwards due to stronger trade union organising in the service sector, as well as global developments led to departures from the previous policy line and a rethink of Sweden's political economy.

Changing circumstances, such as the collapse of the Bretton Woods system in 1973, the increasing »liberalisation« of the global economy and, finally, sharply rising unemployment due to the partly homemade financial market crisis in the 1990s led to the eclipse of stable exchange rates, a relatively stable global market and full employment as the bases of the model. Nevertheless both Social Democratic and centre-right governments kept faith with the foundations of the traditional model: examples of this include high public spending and investment during the crisis years 1991 to 1993 and the attempts to stabilise the Swedish currency.

As a result of the crisis unemployment rose from 2.4 per cent (1990) to around 9 per cent (1993) and the budget deficit increased substantially. In the ensuing years the Social Democratic government pursued a restrictive fiscal policy along the lines of the Rehn-Meidner model, but also a policy that was unable to make much headway against the high unemployment and extremely low inflation.

These developments, together with the economic policy »zeitgeist« and a transformed political situation, characterised by weaker blue-collar trade unions, ushered in a retreat, over the past 20 years, from the traditional economic policy and welfare state model and from goals such as full employment. The Social Democrats' restrictive fiscal policy from the mid-1990s – by means of a budget debt limit – in a period of high unemployment and low inflation can, for example, be regarded as an abandonment of the Rehn-Meidner model.

In brief summary, we can say that the relatively high unemployment that to some extent began in the early 1990s, but at the latest set in with the coming to power of the centre-right government in 2006 was not provided for by the Rehn-Meidner model. With a restrictive supply side-oriented labour market policy – not unlike Hartz IV in Germany – pursued since 2006 by the centre-right government, as well as the growing importance of private solutions in the welfare sector, Swedish economic and social security underwent systemic change. This is discernible not least in the formation of the Swedish welfare state.

Welfare state

In order to understand developments in recent decades and the transformation of the Swedish social state we need to look at the foundations of Sweden's welfare state. In the course of post-war economic growth Sweden underwent

a rapid restructuring from a poor worker and farmer society to a service society with rapidly increasing household prosperity. Given these socio-structural developments the basic-provision policy – for example, the same pension for the king and beggars – was strategically supplemented by a maintenance of living standards (for example, an additional pension based on level of income) in order to retain power by mobilising the electorate. The rapid expansion of the public services sector, at a time of constant full employment, could be managed only by activating women. In the period between 1960 to 1990 the employment level among working-age Swedish women rose from 50 per cent – the current European average – to a world-beating 83 per cent.

The basic idea underlying the Swedish welfare state was and remains to protect citizens against life's basic contingencies by means of state cash benefits. On top of that, there is an extensive public services sector, which provides for child and old people's care free or almost free of charge, health care and education services and occupational qualifications.

*High quality
public services*

Herein lies the quintessence of the universalistic principle of the Swedish social state: high quality public services are supposed to ensure social inclusion for all social strata. That means that the state needs to provide a social policy that is also attractive to the middle and upper classes in order to get everyone on board.

*Cracks in the
general consensus*

The past ten years show that the Swedish system starts to strain at the leash when it starts to lose the support of the middle class. In addition to the changes in economic, labour market and financial policy over the past 20 years a development away from a robust public social security net towards private solutions – not least in the welfare sector – can be discerned.

Many members of the middle class, so crucial for the maintenance of the system, have come to feel that Sweden's public welfare system, with its long waiting times and low capacities, is obsolete. On top of that since the mid-1990s the state – allegedly in the name of »freedom of choice« – has made it easier for private actors to operate in education, care and health. Now even hedge funds are permitted to »invest« in schools in Sweden.

Significant cracks have thus appeared in the basic model of the Swedish social state in recent years. Between 2007 and 2012 alone the proportion of people

with private health insurance rose by 77 per cent. By 2013 around 550,000 people had such private insurance. At the same time, the tax ratio – the share of taxes and social contributions in GDP – fell from 51.5 per cent in 2000 to 44.1 per cent in 2014.

These developments have to be seen in light of the policy changes arising from the coming to power of the centre-right »Alliance« in 2006. By means of numerous measures – including income tax cuts, smoothing the path of privatisation and the establishment of private services in the welfare sector – they instigated systemic change across the board. Labour market policy has also been subjected to change. The qualifying period for unemployment insurance was doubled – from six to 12 months in work – the maximum sum paid out was lowered and the period in which 80 per cent of the previous wage is paid as unemployment benefit – a traditional, institutionalised level – was cut.

The universalistic principle of Sweden's welfare policy is coming under pressure from targeted tax cuts for certain groups – excluding, for example, the unemployed and pensioners – and the accelerated dismantling of public services in favour of private actors and solutions in the welfare sector.

In what follows we shall highlight fundamental elements of the Swedish social state. Despite the recent developments that we have been considering the fundamental notion of a universal and inclusive welfare state still underlies these elements to the greatest extent possible. We shall look at the pillars of the welfare state in turn.

Pensions

The old pension system – state pension for all plus income-related pension for those in employment – was reformed in the 1990s to take account of demographic changes. Pension entitlement now commences for those between 61 and 67 years of age. Tax-funded guaranteed pensions now go to those without or with only an inadequate earned income, not taking into account private assets. Those in employment pay a contribution of 16 per cent for their income-related pension and invest a further 2.5 per cent in investment funds on an individual basis, from which a private sector supplemental pension is paid.

Pensions

Unemployment insurance

Unemployment insurance has hitherto been on a voluntary basis in accordance with the Ghent system, in which unemployment insurance is administered primarily by the trade unions. This is regarded as one important reason for the extremely high level of trade union organisation in Sweden. Previously, contributions were low and the benefits paid out largely tax funded. The centre-right coalition in power between 2006 and 2014, however, on one hand raised contributions substantially and, on the other hand, reduced maximum payments.

This has made unemployment insurance very unattractive for people earning above a certain level, as a result of which many people have abandoned the insurance funds and the trade unions, too. The level of trade union organisation is at its lowest level for 100 years.

The system's underlying principle was always that insurance fund members enjoyed 80 per cent income replacement, albeit with a payment cap. Since it was cut in 2007 this cap has stood at 14,900 krone a month, which means that employees with incomes above 18,700 krone a month receive less than 80 per cent of their income.

At least the contribution hike was reversed in 2013 after massive protests, not least by the trade unions. Nevertheless, in 2014 only seven out of ten workers were still in an insurance fund. Non-members have only a low state benefit to turn to in the event of unemployment.

Income support

Income support in Sweden is the responsibility of the Ministry for Health and Social Security, but organised locally by the municipalities and funded primarily from local taxes. The level of income support is determined by the National Welfare Authorities on the basis of a representative standard of living.

Health care system

All residents of Sweden are entitled to reimbursement of the costs of medical treatment. This is organised by county councils and funded mainly from direct income taxes. Patient co-payments are also sometimes levied, varying from place to place. Furthermore, everyone with annual earnings above 6,000 krone is entitled to compensation for loss of earnings. This health care insurance is funded

from a mandatory employer contribution and insurance contributions, which have to be paid alongside taxes.

Education system

Because the real »raw material« of modern industrial and service-based societies are their knowledge resources and their creative handling the education system has strategic importance for further social development in a globalised economy. Sweden has an extensive, although still not free of charge kindergarten provision. From preschool to university, however, educational institutions can be attended free of charge.

Integrated comprehensive schools work on the principle »everyone taken«. Almost all comprehensive school students subsequently attend an upper secondary school. Higher education was opened up to all at the end of the 1970s. Everyone in a position to participate in the relevant courses – this generally means graduating from secondary school – can study if a place is available. If places are insufficient there is a waiting list governed by various criteria. There is also an extensive adult education system.

Significance of the universalistic social state in an era of globalisation

Although over the past two decades Sweden has taken decisive steps in the direction of marketising the welfare state and targeted tax policy and thus has moved away from the universalistic principle, the difference between the public safety net in Sweden and in, for example, the United States remains substantial. While in Sweden more or less the entire population is covered, in the United States all those unable to pay are left out in the cold with regard to the various private insurance systems.

As economic borders are opened up in the course of globalisation import competition puts less productive domestic employee groups under pressure. If it proves possible by means of generous income guarantees and education and training provisions to ameliorate employees' concerns about jobs and loss of status economic policy room to manoeuvre will increase and the domestic political costs of opening up the economy will fall.

Given globalising tendencies a welfare policy oriented towards education and training, as well as safeguarding social status thus represents a substantial eco-

Education system

Integrated comprehensive schools

Welfare policy as economic factor

nomic policy instrument over against a social policy confined to the protection of economic losers. At the same time, from 2006 the centre-right government, with its social policy oriented towards »activating« vulnerable groups in the labour market, turned away from the traditional virtues of the Swedish welfare state model.

Finally: the strategic importance of the middle class

The Scandinavian welfare state will endure as long as the middle class value its benefits. They pay the lion's share of contributions and, in return, expect a high quality service. However, if public insurance benefits were to fall short of middle class expectations, they would turn to private provision. Naturally, no one wants to pay twice over, so in the medium term this would find electoral expression in opposition to the high-tax welfare state.

Developments since 2006 show how real this danger is. Out of dissatisfaction the middle class has to some extent turned away from the original welfare model. With the centre-right »Alliance« government of 2006 and the formation of political blocks Sweden's political landscape has changed. For a time the Social Democrats lost their ability to steer the debate.

*Still highly
inclusive*

But although the developments of the past 20 to 25 years show that both Sweden's economy and its welfare policy are undergoing systemic change, the country is still – not least due to the anchoring in the constitution of both positive and negative civil rights and liberties – a highly inclusive social democracy. Not only is there a safety net for the poor and those who have lost out – compare Germany's so-called »unemployment benefit II« – but the whole population is provided for by means of high quality provisions: this is the Scandinavian answer to the question of the welfare state.

*2014: Social
Democratic
election victory*

At the September 2014 elections the Social Democrats managed to return to government – substantial proof that the policies of the centre-right »Alliance« found only limited support. The new Red-Green government has issued two clear signals of a change in policy: they have raised the budget debt ceiling and have started to pull back from allowing private actors to exploit the welfare sector. Because the centre-left parties do not have a parliamentary majority, however, the extent to which they will be able to rectify the changes imposed in recent years remains to be seen.

Sweden		
Employment rate 2013	74.4 % (women: 72.5%)	Number of people in employment (15-64) in relation to total population (source: Eurostat)
Unemployment rate 2013	8 %	Proportion of unemployed in the economically active population (source: Eurostat)
Rate of long-term unemployment 2013	1.5 %	Proportion of long-term unemployed (12 months or more) in the economically active population (source: Eurostat)
Income inequality/Gini coefficient 2003-2012	25 %	Ratio indicating income inequality – the higher the value, the greater the inequality (source: Human Development Report 2014, p. 168)
Education: importance of socioeconomic background for educational attainment 2012	18 %	Proportion of students' performance differences in mathematics attributable to their socioeconomic background (source: OECD 2012)
Trade union density 2013	67.7 %	Proportion of economically active population organised in trade unions (source: OECD)
Female MPs	44.7 %	Proportion of parliamentary (Congress) seats held by women (source: Human Development Report 2014, p. 172)
Perceptions of well-being	93 %	Proportion of people satisfied with the range of opportunities they have to determine their lives (source: Human Development Report 2014, p. 220)

5. MODELS OF SOCIETY IN THE DEBATE

In this chapter

- the relationship between market capitalism and democracy is discussed;
- liberal, conservative and social democratic maps of the territory are compared with one another;
- we look at libertarian and social democracy as theoretical models; and
- we take a closer look at social democracy as a model of argumentation.

At the beginning of the present volume we distinguished, with Thomas Meyer, between social democracy as theory and social democracy as a political programme. After our overview of the theory we now need to look in more detail at the political programme.

*»On a journey
of discovery«*

The best kind of political discussions resemble journeys of discovery. Such a journey takes us in a number of different directions on the map. We weigh up the different directions, their pros and cons, the dangers and the opportunities they represent. Before a political journey is actually undertaken it has already been run through several times.

But do we have the wherewithal to set out on such a political voyage of discovery? As on the high seas we all have our own maps and compasses.

Map, compass ...

The maps describe places, in the case of political journeys, such as the current situation and social circumstances. The compass shows us the direction and helps us to keep to the desired course.

... own standpoint ...

But political navigation depends on two conditions: first, one has to know one's own views – more broadly, one has to investigate where one stands and in what kind of situation society finds itself.

... and course ...

The second condition is that one settle on a »political course« which one wishes to pursue.

As if it wasn't difficult enough to obtain clarity about one's starting point and then to plot a common course there is a further challenge, namely that we generally don't know whether our maps concur or not.

Both starting point and goal (or reality and aspiration) can be expressed in terms of competing socio-political ideas. Liberal, conservative, socialist and social democratic lines of argument try to define their starting points and goals in such a way that it is possible to navigate in their preferred direction.

That means that what we find on the map and what starting and end points they portray depend very much on the basic assumptions with which we commence the discussion. In the end, the only resort is to compare the different maps and to reach agreement on a common map, starting point and goal. One of the key issues here is simply »Whom does the proposed route benefit?«

But we must mention one key difference from a journey by sea: there is no »correct« map in the debate on political goals, but only those that are more or less successful and effective. Ultimately, in a democracy everyone decides together on which map we will put to sea with.

In this chapter we would like to take a closer look at different political maps and their destinations. Before we describe possible goals, however, we must first describe the point of departure.

In order to make it easier we shall assume that our society has two foci: market capitalism, on one hand, and the democratic state, on the other. In the course of our explanation of how market and democracy stand to one another we may refer to the summary of Meyer's ideal types (see chapter 3.2.).

These rough definitions already show that a society that wants to organise as both market capitalist and democratic will be exposed to severe tensions, not least because a pure market capitalism and a fully democratic society are mutually exclusive.

It is therefore already evident at this point that market capitalism and democracy represent a state in a system of coordinates determined by the way of organising society, on one hand, and the form of the economy, on the other. Market capitalism in its »pure form« is an entirely uncoordinated way of producing and

... are questions for
political debate

Further reading:

Christian Krell and
Meik Woyke (2015),
*Die Grundwerte
der Sozialdemo-
kratie, Historische
Ursprünge und poli-
tische Bedeutung*
[The basic values
of social democ-
racy. Historical
origins and political
significance], in:
Christian Krell and
Tobias Mörschel
(eds) *Werte und
Politik [Values and
politics]*, Wies-
baden, pp. 93-138.

Sigmar Gabriel
(2015), *Werte in
der Politik [Values
in politics]*, in:
Christian Krell and
Tobias Mörschel
(eds) *Werte und
Politik [Values and
politics]*, Wiesbaden,
pp. 139-150.

exchanging goods. The market alone »organises«. A market is »coordinated« if the rules in accordance with which production and exchange are carried out are laid down by society.

Democracy in its pure form means that every decision is taken in a democratic way. »Freely and democratically« thus means that everyone enjoys the same freedom and everything is decided together in equal responsibility. Whether this takes place by means of direct or representative democracy is less crucial. The other option for governing society is decision-making by individuals, who may prevail or they may not.

To set the ball rolling for us that means that, presumably, we have not yet reached agreement on the location of the point of departure in the system of coordinates because the starting and end points on the map will both depend on the prevailing model of society.

*A system of
coordinates to get
one's bearings*

Before we look at the destinations, it's worth looking at the reader's personal map of the territory. Figure 24 depicts two versions of the coordinate system. In the left-hand graph plot where you think society's point of departure lies and in the right-hand one, the destination you would like it to aim at. There is no right answer; what matters is your personal viewpoint.

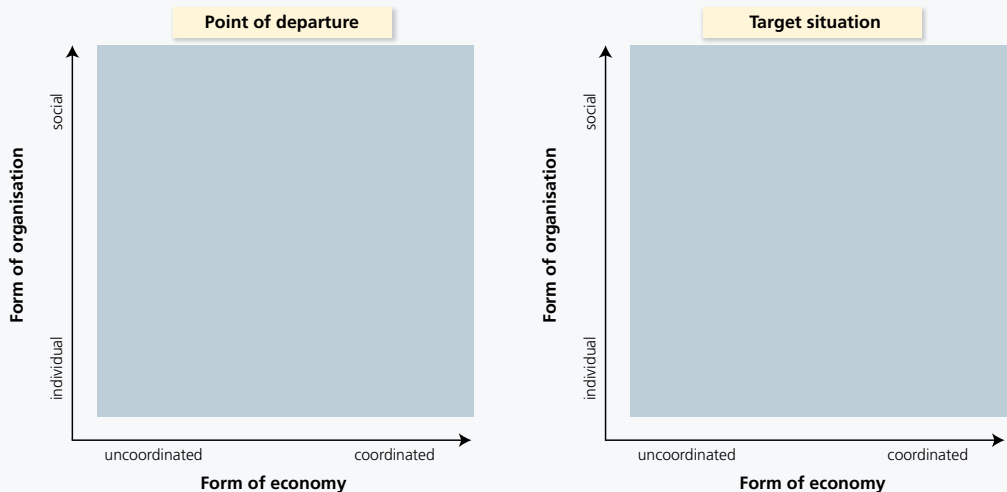


Figure 24: Your point of departure and target situation

5.1. Excursus: Political Utopia

Richard Saage

The term »utopia« comes from the Greek and means »no place«. A utopia is a blueprint of a non-existent social order.

With regard to utopias social democracy stands in a tradition strongly influenced by them »leading from Plato's critique of private property through similar views expressed by Platonist Church fathers (patristics), the Anabaptists and utopians, such as Thomas More and Campanella, to the Christian-influenced early socialist thinkers and impacting the incipient German labour movement« (Euchner 2005: 20).

The social criticism of socio-economic relations in England at the beginning of the sixteenth century that Thomas More presents in part one of his famous book *Utopia* emboldened the oppressed classes to rise up against exploitation and repression. However, they also put their rulers under pressure to accede to or even initiate social reforms. No one has grasped this state of affairs better than early social democrat August Bebel. He wrote the utopian essay *Woman and Socialism* (1879), which exerted a powerful influence on social democrats in the German Empire. In these terms utopian thinking has functioned as a spiritual breeding ground in the formation of a collective social conscience.

However, social democracy is to be sharply distinguished from two important tendencies in utopian thought, namely »archaism« – in other words, authoritarian and related to domination – and anarchism, based on libertarian models free of domination.

Although the »archistic« approach raises the banner of solidarity and equality, it relegates individual freedom to residual status. The anarchist approach also appeals to solidarity and equality, but puts individual freedom in pole position. Moreover, it rejects the institutions of the state that social democracy regards as conditions of the very possibility of personal freedom in the sense of granting positive and negative civil rights and liberties.

Social democracy has recognised, by contrast, that institutions based on the rule of law constrain the aggressive aspects of human nature and help to strengthen

*Thomas More:
Utopia*

Two tendencies

Further reading:
*Christian Kellermann
and Henning Meyer
(2013), Die Gute
Gesellschaft. Soziale
und demokratische
Politik im 21. Jahr-
hundert [The good
society. Social and
democratic politics
in the twenty-first
century], Berlin.*

Further reading:

Richard Saage
(1991), Politische
Utopien der Neu-
zeit [Political uto-
pias in the modern
era], Darmstadt.

Richard Saage
(1990), Das Ende
der politischen
Utopie? [The end of
political utopia?],
Frankfurt am Main.

Marc Saxer (2013),
Utopie, Techno-
kratie und Kampf.
Wege aus der Krise
der Sozialdemo-
kratie [Utopia,
technocracy and
struggle. Ways out
of the crisis of social
democracy], in:
Neue Gesellschaft/
Frankfurter Hefte,
pp. 51-56.

and develop its constructive potential. These rule-of-law institutions include individual human rights.

Political utopias were important for social democracy. During the period of the Anti-Socialist Laws in Germany (1878-1890) comfort and hope were derived from the possibility of the collapse of capitalism and a just social order, as predicted by Marx. Political utopias are also crucial for social democracy today, for two reasons:

First, they provide orientation:

»Utopia provides a normative compass which can provide guidance for policy-makers and orientation for citizens. Only a vision of a Good Society enables citizens to make an informed judgement on whether a policy path leads into the right or wrong direction.« (Saxer 2013: 55)

Secondly, however, they represent a strategic resource:

»Without passionate faith in a common vision, people do not come together in great numbers. Only a positive vision for a better world can mend the paralysing fear of the end of the world as we know it. Only if enough people believe that a better life is possible are they willing to struggle for change. Only on a common platform can actors with differing interests join forces.« (Saxer 2013: 55).

Food for thought

Utopias depict a better tomorrow. What conception of a better tomorrow should social democracy formulate, in your view? What kind of utopian political projects inspire people? What kind of »good society« would be worth fighting for?

5.2. The (New) Liberal or »Libertarian« Map

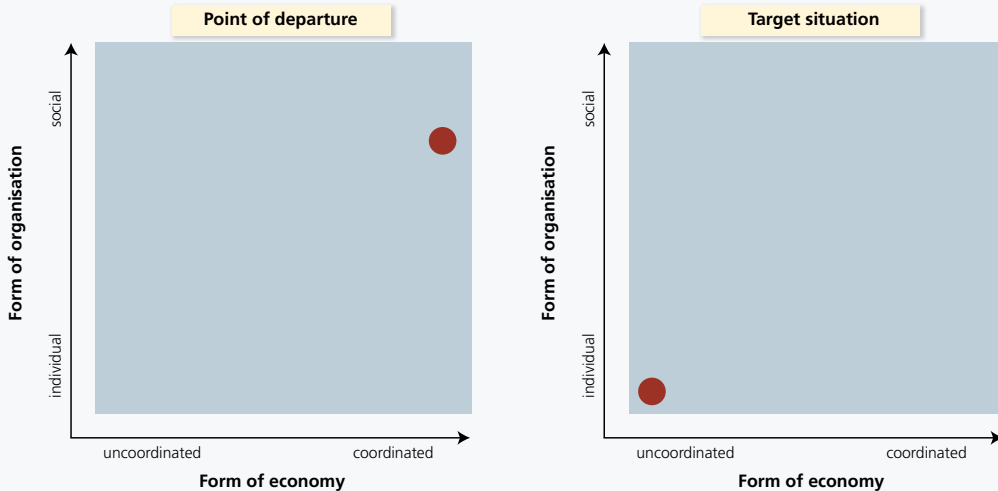


Figure 25: The libertarian map

The (new) liberal¹⁴ goal is clear: the individual and the market should have the greatest possible freedom.

New liberal positions emphasise, in relation to the market and democracy, the so-called »free« market and talk of freedom of enterprise. Democratic decisions are largely confined to the organising state, which is supposed to serve merely as guarantor of the existence of the free market. To mention a few key new liberal assumptions:

- The market largely regulates itself by ensuring that the supply of material and immaterial goods matches society's demand.
- Freedom has absolute priority over against equality and solidarity, the individual over against society.
- Freedom is realised directly via the market. A (substantive) diminution of market freedom would thus be tantamount to a restriction of freedom in general and must therefore be avoided.

*Emphasises the
free market*

¹⁴ In what follows, we apply the term »new liberal« to theoretical positions which developed following classical liberalism in the first half of the twentieth century and were further developed from the 1980s onwards. Certainly, in recent years on the political Left the term »neoliberal« has become established as derogatory and a kind of general »battle term«. Regardless of what one thinks of neoliberal ideas, there is a tendency to describe all negative phenomena in today's societies as »neoliberal«. In order to avoid this analytically inaccurate form of argument we shall here use the term »new liberal«.

- The task of the state is to create secure conditions for the market and to safeguard people against social contingencies that bring them into hardship through no fault of their own, but only to a minimal extent and not based on a fundamental right. This narrowly restricted policy area shall be regulated democratically. The state is responsible only for the »regulatory or orderly framework« of society.
- The understanding of what it is to be a human being takes its bearings from human freedom, in terms of which people are distinguished from one another by their achievements and live as »utility maximisers«. The freedom of the market is supplemented by freedom from the state: the state's only duty is to guarantee that society does not impinge on people's autonomy. Although people's freedom should be protected by the state, the latter must not interfere with it.
- New liberal concepts assume an »independent« central bank devoted primarily to monetary stability (monetarism).

Neoliberal turn

At the latest since the 1960s an extensive network of »new liberal« research networks, political consultancies, economic institutes and lobbyists has been established. This network has been central to the »neoliberal turn« that commenced in the 1980s, for example, under the auspices of Thatcher and Reagan.

New liberal positions generally enjoy support among asset owners with secure life circumstances (in other words, typically in the educational and economic middle or upper middle class). New liberalism is thus an elitist social model, in a twofold sense: it has formed in well-to-do circles and it represents their interests. The point of departure on the new liberal map lies at some distance from the destination, however. This starting point can be characterised, with some exaggeration, as follows:

The market is overregulated – state subsidies and legislative nannying hinder market freedom. The state interferes massively in its attempts to steer the economy. This leads to economic distortions: what is favoured by the state wins through, not what is economically successful.

Personal freedom is also constricted: institutions of collective bargaining and industrial democracy – works councils and enterprise codetermination – hinder individual decision-making. Citizens are bullied by the burden of taxation and

contributions. The incursions of the state and society in the civil rights and liberties of the individual are intolerable.

To be sure, this account is somewhat overblown, but it accurately reflects the underlying tendency. We shall now look more closely at an (extreme) new-liberal map, namely that of Friedrich August von Hayek, one of the best known new-liberal theoreticians of the twentieth century.

Examples of an extreme »new liberal« map: Hayek and Röpke

Friedrich August von Hayek is certainly one of the most provocative and most extreme representatives of new-liberal theory. To that extent he cannot be regarded as a »new-liberal theoretician pure and simple«. However, most of his basic assumptions have shaped the discussion of this theory.

Friedrich August von Hayek (1899-1992) was an Austrian economist and one of the most important liberal thinkers of the twentieth century. He was one of the main proponents of the free market and an opponent of any kind of state interference. As a result, he was one of socialism's severest critics.

Hayek represents the view that freedom and democracy can be realised solely within the framework of an economic system based on unrestricted private property and competition.

Society emerges as a »spontaneous order« in which economic subjects associate and enter into competition with one another freely via the market. The sole task of the state is thus to lay down general rules for the behaviour of individuals in relation to one another (see Conert 2002: 287).

The problem that freedom and democracy are, in reality, available only to a few is without significance in Hayek's spontaneous order. Also insignificant in these terms is the fact that under unbridled capitalism one person's economic freedom may result in another person's economic want and lack of freedom.

The divergence of claim and reality with regard to new liberal arguments is also evident from the ideas of Wilhelm Röpke. Röpke represents the view that liberalism is the sole alternative to the tyrannical form of society characteristic of socialism: whoever »does not want collectivism«, he writes, must »want the market economy [...] but the market economy means free markets, a free press

F.A. von Hayek

Further reading:
Friedrich August von Hayek (1946), Der Weg in die Knechtschaft [The road to serfdom], Zürich.

Wilhelm Röpke (1942), Die Gesellschaftskrisis der Gegenwart [The social crisis of our time], Zürich.

Further reading:

Wilhelm Röpke
(1946), *Civitas
Humana. Grund-
fragen der Gesell-
schafts- und
Wirtschaftsre-
form* [The moral
foundations of civil
society], Zürich.

Hansgeorg Conert
(2002), *Zur Ideo-
logie des Neoli-
beralismus – Am
Beispiel der Lehre
F. A. von Hayeks*
[On the ideology of
neoliberalism – the
example of F.A. von
Hayek], in: Conert,
Vom Handelskapital
zur Globalisierung
[From commercial
capital to globalisa-
tion], pp. 275-296.

David Harvey (2007),
Kleine Geschichte
des Neoliberalis-
mus [A brief his-
tory of neoliber-
alism], Zürich.

and cost elasticity, in other words, adaptability and subordination of producers to the dominance of demand. In negative terms, it means the exact opposition of monopoly and concentration and that anarchy of interest groups which is spreading to every country like the suitors of Penelope. Market economy means choosing, instead of the depraved collectivist principle, the sole regulatory principle that we have at our disposal to create a highly sophisticated and highly technologised society, but in order that it really does ensure the regulation of the economic process it must be unadulterated and [may] not be corrupted by monopolies« (Röpke 1946: 74).

There is already a contradiction here that turns up in many new-liberal positions: on one hand, a (largely) self-regulating market is propounded, freed from the shackles of political regulation; on the other hand, the formation of monopolies is sharply criticised and a level of control demanded on the part of the state to ensure that competition is not cancelled out by them. This conflicts with the image of a »free market«, however. The market obviously leads to frictions which it cannot regulate itself. A managing state is needed for that.

Apart from that, the new-liberal position assumes that the freedom of the market is enough to ensure the freedom of the individual, an assumption that cannot be sustained in view of the social exclusion brought about by market capitalism.

5.3. The Conservative Map

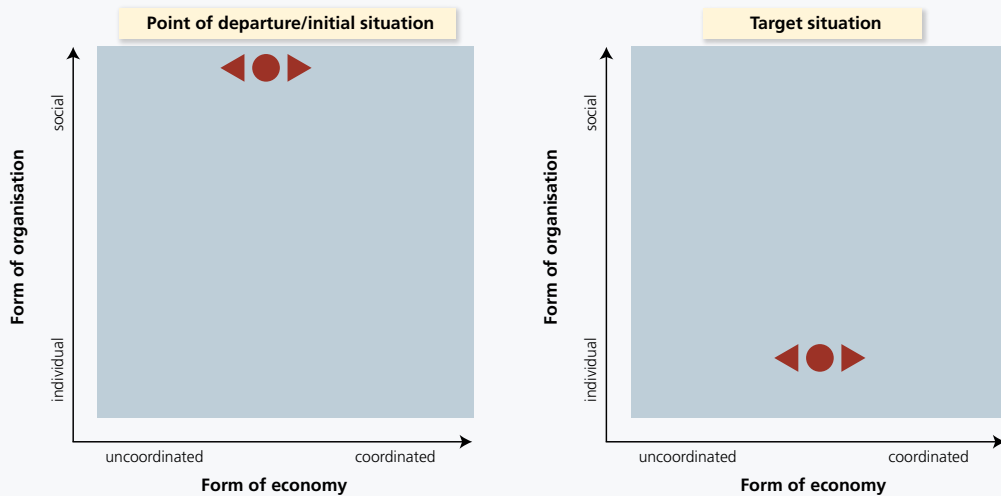


Figure 26: The conservative map

The conservative position is the most difficult to grasp. This is owing to both historical and systematic reasons. The initial and destination maps thus present a corridor, on which more later. First, we shall turn to historical and systemic considerations.

Historically, conservative positions – as the word implies – have, in the main, been oriented towards what happens to be in existence and its preservation. In many cases they are a (defensive) reaction to other political tendencies. As a result, it is difficult to establish a discrete, universal notion of it in historical terms. In short: there have always been conservatives, but not a constant, general conception of conservatism.

In the French Revolution and at the time of the Restoration in the first third of the nineteenth century, conservatives represented corporate privileges of birth and the interests of the aristocracy. In the emerging German Empire, they spoke up for the small German states and, in the end, for the Empire itself, while in the Weimar Republic they stood, in large part, for the restoration of the Empire and against democracy.

*Conservatism:
oriented towards
what already exists*

*Conservative
positions over time*

In the 1980s, conservatives returned rather to the classical values of the new liberals and called for the overturning of the reforms of the 1970s. A constant thread cannot be identified.

*Attempt at a
characterisation*

Nevertheless, it is possible to list some of the essential foundations of conservative thought, mainly with reference to the present day:

- Conservatives take their bearings, as a rule, from the basic values of family, personal responsibility and merit or achievement. Tradition is given pride of place.
- The state is, as a rule, derived from a »higher order« of values, which find reflection in the nation. As a rule, this »higher order« provides justification for a more hierarchically oriented mode of thought and a positive attitude towards (meritocratic) elites in society. Social inequality is justifiable in these terms.
- In Germany – but also in many other countries – conservative thought is oriented towards a Christian image of humanity. Fundamental ideas from Catholic social doctrine (charity, subsidiarity principle) are cited as values.
- In particular the subsidiarity principle generally has a central position: the smallest social unit – usually the family – takes precedence. Only if this unit is unable to handle something does the next level up come into play. There is a strict hierarchy at any particular level (family, community, state and so on).
- In recent years, the term »new bourgeois values« (see Buchstein/Hein/Jörke 2007: 201) has come into use among conservatives. It describes a citizen whose life is oriented towards such values as family, propriety, loyalty and courtesy and participates in civil society and in professional life as an autonomous individual. Udo di Fabio formulates it as follows: »To be bourgeois today means to accept the link between duty and desires, love and conflict, privation and prosperity; to understand freedom above all as freedom of commitment and success as a result of one's own hard work, and on this basis to take pleasure in moderation, without imposing commitment and hard work as absolutes. To be bourgeois means to keep in view, whatever one's personal orientation, community and the concerns of all, including the vulnerable and the needy, and, alongside freedom and equality, also to foster fraternity« (di Fabio 2005: 138). The concept of »new bourgeois values« also reflects a concept of individual freedom which appeals principally to individual-oriented morality. This differs clearly from a socialist or social democratic conception of humanity, but also from the liberal view.

Further reading:

Udo di Fabio (2005),
Die Kultur der Freiheit
[The culture of
freedom], München.

Edgar Jung (1932),
Deutschland und die
konservative Revolution
[Germany and
the conservative revolution], München.

Martin Greiffenhagen (1971), Das
Dilemma des Konservatismus in
Deutschland [The
dilemma of conservatism in Germany], München.

Even though the CDU/CSU is often regarded as the only »conservative« party in Germany, this definition is to be handled with care.

Since the 1980s and the »spiritual-moral turn« represented by the Kohl government there has been something of an amalgamation of the Christian-conservative conception of humanity, on one hand, and economic liberalism, on the other. Angela Merkel's government, in contrast, has incorporated more social democratic elements and ways of thinking – albeit revised and somewhat watered down – in its own standpoint. To some extent, this has fostered considerable conflict – especially on family policy – between »modernisers« and »conservatives« in the CDU. For conservatism, especially, it must be emphasised that the unambiguous classification of a party and historical ideological constants are difficult to establish.

It is rather easier to delineate the target group of conservative views: primarily the well-to-do from the educated middle class and the business elite, as well as the religious – mainly Catholic – sphere.

Why have we used a »range« or a »corridor« in our effort to position conservatives in the initial and destination maps? First of all, the hierarchical approach makes it clear that in relation to the family, the economy and the state conservatives want decision-making power to be transferred to individuals at the expense of collective rights. Strong state, family and business heads as role models and scepticism, even rejection of individualism and a variety of lifestyles go hand in hand with this approach.

The rejection of collective forms of decision-making and giving free rein to business leaders provide a few overlaps with the (new) liberals. At the same time, conflict is always a possibility when regulations oriented towards authority are in question.

There is more flexibility among conservatives when it comes to the nature of the economy, between coordinated and uncoordinated. Here conservative positions fluctuate between economic liberalism and social democracy.

Further reading:

Klaus von Beyme (2013), Konservatismus. Theorien des Konservatismus und Rechtsextremismus im Zeitalter der Ideologien 1789-1945 [Conservatism. Theories of conservatism and right-wing extremism in the era of ideologies], Wiesbaden.

Sven-Uwe Schmitz (2009), Konservativismus. Elemente der Politik [Conservatism. Elements of politics], Wiesbaden.

5.4. Map of Social Democracy

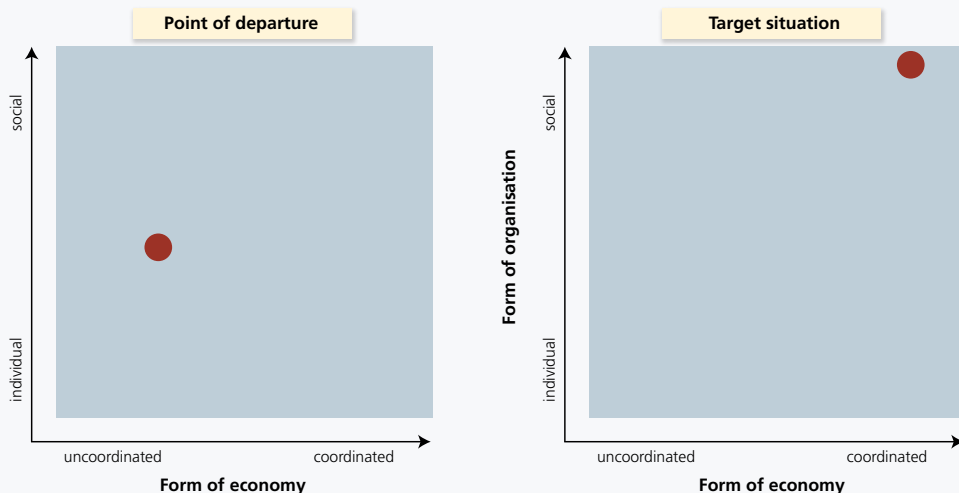


Figure 27: Map of social democracy

A different compass

Social democracy as a school of thought starts out with a compass that is calibrated very differently: what an individual can achieve depends on mutual support and social democratic descriptions of the point of departure mainly assume a form of economy that does not do justice to the division of labour on which socially produced wealth is based.

Even though many people participate in the creation of wealth a few are able to siphon off a disproportionate share. Others are deprived of their rightful share, some, indeed, to such an extent that they are excluded from society almost completely and scarcely have the option of participating in social life. This state of affairs is not fair and it certainly does not take full advantage of the potential of a free society based on solidarity. The same economic resources could be used to organise a solidaristic, free and just society.

Embedding the market

In order to reach this destination a different relationship between the state and society and the economy is needed. The market has to be embedded and not left to its own devices. »Coordination« is needed to ensure social balance.

Only the state on behalf of a democratically constituted society can bring about such a social balance. But how can it be guaranteed that this state will serve the common interest and not a privileged minority? And here the second substantive starting point enters into the map of social democracy: only if all people can participate democratically in the economy, the state and society will the civil rights and liberties of the individual be taken seriously and abuses of power by individuals be prevented. Representatives of social democracy thus by and large have a positive attitude to the state, although to be sure they also favour its further democratisation and thus the extension of »collective decision-making structures« for all, not only formally, but with real effect.

Social democracy as a map setting out a political destination has always been shaped by the fact that it is itself contested and debated and thus constantly under development. Willy Brandt in his farewell speech to the Socialist International made this point succinctly: »Nothing comes about of its own accord. And very little lasts. Therefore look to your strengths and heed the fact that every era seeks its own answers and we have to be at our best if we are to do any good« (Willy Brandt 1992: 515, valedictory address to the congress of the Socialist International, 14 September 1992).

»Up to date«

Further reading:

Christian Krell and Meik Woyke (2015), Die Grundwerte der Sozialdemokratie, Historische Ursprünge und politische Bedeutung [The basic values of social democracy. Historical origins and political significance], in: Christian Krell and Tobias Mörschel (eds) Werte und Politik [Values and politics], Wiesbaden, pp. 93-138.

Sigmar Gabriel (2015), Werte in der Politik [Values in politics], in: Christian Krell and Tobias Mörschel (eds) Werte und Politik [Values and politics], Wiesbaden, pp. 139-150.

6. IN CONCLUSION, A BEGINNING

What is the best way to conclude a reader on the foundations of social democracy? One way of doing it would be to summarise the results, point out their significance and let things stand for themselves. But that would represent something of a cop out, because this volume has shown that social democracy cannot simply be wrapped up, either as a conceptual model or as a political task. On the contrary, the path of social democracy – both as an idea and as political action – must repeatedly be examined, adapted and rethought, if it is to be pursued successfully.

The debate on social democracy is distinguished by the fact that it does not stay still, but keeps a close eye on societal developments, takes in risks and opportunities and then puts them to use politically. This marks out social democracy from other political models: it neither clings to what has been handed down nor is blind to changed realities and new challenges.

One of the central challenges of the coming years and decades will be how to tackle globalisation. It harbours both risks and opportunities. Germany's SPD has taken up this challenge in its Hamburg Programme, which identifies tasks arising from the essential issues of globalisation from the perspective of social democracy:

Prosperity, justice and democracy

»The twenty-first century is the first truly global century. Never before have people been so reliant on each other worldwide. [...] This century will either be a century of social, environmental and economic progress, bringing more prosperity, justice and democracy for all, or it will become a century of bitter struggles about distribution and uncontrolled violence. The current lifestyle of our industrial societies is straining the earth's ecological sustainability [...]. What is at stake are people's opportunities to enjoy a decent life, world peace and, last but not least, the very habitability of our planet.«
(Hamburg Programme 2007: 6)

Properly functioning capital and financial markets

»A modern, globally interlinked national economy requires well-functioning financial and capital markets. We want to tap the potential of capital markets for qualitative growth. [...] Where financial markets seek only to generate short-term profits they jeopardise enterprises' long-term growth strategies, thereby destroying jobs. We want to use tax and company law – among other things – to bolster investors who seek long-term commitments instead of quick gains. [...] With increasing international interlinking of commodity and financial markets, the urgency of their international regulation becomes ever more pressing.«
(Hamburg Programme 2007: 47)

Decent work

»Only if people have prospects that they can rely on can they fully develop their talents and capabilities. Decent work combines flexibility and security. The pace of scientific and technological progress, ever more rapid change in the world of work and intensified competition require more flexibility. At the same time, they offer more opportunities for personal development. [...] In order to combine security and flexibility and to guarantee security in the course of change, we want to develop a modern working time policy and to remodel unemployment insurance as employment insurance. But as much as flexibility may be both necessary and desirable, it must not be abused. We want to bolster employment that is permanent and carries social insurance, and we want to do away with precarious employment, so that workers are no longer unprotected.«
(Hamburg Programme 2007: 54)

Fundamental rights in the digital domain

Today, social democracy also faces the challenge of asserting its basic values also in the digital domain. What does freedom mean in the era of big data? Our every move online generates data. These data exert a considerable influence over how we live our lives and the scope of our freedom. At present, data are administered and used primarily by private companies, although state authorities also make use of them. Individuals cannot see either what data exist about them or how they are used.

More than ever, individuals' personal freedom will thus depend on their right of self-determination with regard to information held about them. Everyone has to know what data exist about them, who possesses them and how they are used, as well as how they can be deleted in case of doubt. Otherwise, freedom cannot be safeguarded in the digital age.

What does justice mean in the age of unequal access to the internet? Opportunities for participation, income possibilities, but even capacity for freedom are increasingly shaped by internet access. Besides the various possibilities – quality, speed and so on – differing individual competences with regard to using the internet (media literacy and so on) are leading to inequalities to a not inconsiderable degree.

What does solidarity mean in the age of increasingly diverging public spheres? Social networks, news and search engines tailored to individual users or specific user groups lead to an altered and often very narrow view of social reality. Forums for debate and public domains become ghettoised and more inward-looking. Solidarity – willingness to empathise with others – is under threat because others are coming into one's purview less and less.

These points show that social democracy must constantly develop and address new challenges, fully aware of its foundations and clear-eyed about reality. We would like to invite you to participate in the debate on social democracy. The Friedrich-Ebert-Stiftung's Academy for Social Democracy provides an arena for this purpose. Eight seminar modules tackle the core values of social democracy. We hope that our seminars, readers, audiobooks, films and other offerings will assist you in setting your own compass.

SOCIAL DEMOCRACY READERS



Reader: History of Social Democracy

Michael Reschke, Christian Krell,
Jochen Dahm et al.

Political Academy of the Friedrich-Ebert-Stiftung

160 pages, paperback, 5 euros

ISBN 978-3-86498-626-0

3rd, updated edition, September 2013

On 23 May 1863 the Allgemeine Deutsche Arbeiterverein (General German Workers' Association) was founded in Leipzig. In 2013 the Germany's Social Democrats celebrated 150 years as a party. What characterises their history? Where are they headed in the twenty-first century? Development over 150 years means not so much a straight path as diversions and forks in the road. The History of Social Democracy reader represents an invitation to familiarise oneself with social democracy's origins and decisive milestones.



Reader 1: Foundations of Social Democracy

Tobias Gombert et al.

Political Academy of the Friedrich-Ebert-Stiftung

160 pages, paperback, 5 euros

ISBN 978-3-95861-874-9

4th, updated edition, August 2017

In the reader *Foundations of Social Democracy* the question of what can and must characterise social democratic policies in the twenty-first century is discussed. What values underlie social democracy? What goals does it pursue? How can it be implemented on the ground? The reader approaches these questions theoretically, practically and, not least, by comparing different countries and social models.



Reader 2: Economics and Social Democracy

Simon Vaut et al.

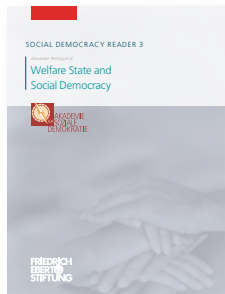
Political Academy of the Friedrich-Ebert-Stiftung

160 pages, paperback, 5 euros

ISBN 978-3-86872-698-5

3rd, updated edition, Mai 2011

In the reader *Economics and Social Democracy* the focus is on a modern value-oriented economic policy for social democracy. What theories can an economic policy based on the values of freedom, justice and solidarity invoke? What principles underlie it? And above all: how can it be implemented in practical terms? The doctrines of the British economist John Maynard Keynes play a key role.



Reader 3: Welfare State and Social Democracy

Alexander Petring et al.

Political Academy of the Friedrich-Ebert-Stiftung

160 pages, paperback, 5 euros

ISBN 978-3-86498-103-6

2nd, updated edition, November 2012

The reader *Welfare State and Social Democracy* describes the fundamental links between the welfare state and democracy. It shows what notions of justice and fairness shape the welfare state. It explains the different kinds of welfare state in terms of which different countries organise social solidarity. It looks at popular criticisms of the welfare state and indicates the practical challenges, provides an overview of the social policy programmes of the various political parties and discusses the issues of labour, pensions, health care, education and taxation in detail.



Reader 4: Europe and Social Democracy

Cäcilie Schildberg et al.

Political Academy of the Friedrich-Ebert-Stiftung

160 pages, paperback, 5 euros

ISBN 978-3-86498-844-8

2nd, updated edition, May 2014

The European Union offers an opportunity to achieve prosperity, social balance and sustainability in peaceful and democratic cooperation. However, Europe is associated not only with hopes, but also with concerns. This reader asks how the basic values of social democracy can be realised in, with and by means of Europe. What principles of European policy should apply? How can a social Europe be achieved? For social democracy Europe has always been an important and fascinating project.



Reader 5: Integration, Immigration and Social Democracy (Available only in German)

Christian Henkes et al.

Political Academy of the Friedrich-Ebert-Stiftung

160 pages, paperback, 5 euros

ISBN 978-3-86872-606-0

1st edition, February 2011

Integration and immigration are issues that must be discussed constructively and »without fear and reveries«, as Johannes Rau once put it.

Reader 5 Integration, Immigration and Social Democracy helps to address these issues. How do freedom, justice and solidarity operate in the area of »integration and immigration«? Why are participation and recognition two key notions in social democratic integration policy? The reader offers a range of approaches: considerations arising from integration research, examples of successful integration practice and instruments, a look beyond national borders and also the programmes of the various political parties on this issue.



Reader 6: State, Civil Society and Social Democracy *(Available only in German)*

Tobias Gombert et al.

Political Academy of the Friedrich-Ebert-Stiftung
160 pages, paperback, 5 euros

ISBN 978-3-86498-075-6

1st edition, March 2012

How do the state and civil society contribute to the success of social democracy? What can civil society achieve that the state and the market cannot? Reader 6 The State, Civil Society and Social Democracy focuses on these questions. It asks what kind of civil society we should aim for in order to be able to live together on the basis of social democracy. It tries to cast more light on a much discussed political field.



Reader 7: Globalisation and Social Democracy

Michael Dauderstädt et al.

Political Academy of the Friedrich-Ebert-Stiftung
160 pages, paperback, 5 euros

ISBN 978-3-95861-752-0

1st edition, March 2017

This reader on Globalisation and Social Democracy examines how the basic values of social democracy can be realised in a globalised world. What are the global challenges and opportunities? How can globalisation be organised so that it has a social orientation? It will help the reader to arrive at their own take on the phenomenon of globalisation. It concerns the challenges that go hand in hand with globalisation at the international level and how they can be tackled.

RECOMMENDED READING

Euchner, Walter, Grebing, Helga et al.

**Geschichte der sozialen Ideen in Deutschland. Sozialismus –
Katholische Soziallehre – Protestantische Sozialethik. Ein Handbuch**

[History of social ideas in Germany – Catholic social doctrine –
Protestant social ethics. A handbook]. 2005.

VS Verlag für Sozialwissenschaften. (ISBN: 978-3-531-14752-9)

This comprehensive handbook offers an extensive overview of the connections between social movements and developments in the history of ideas, focusing on socialism, Catholic social doctrine and Protestant social ethics.

Meyer, Thomas:

Theory of Social Democracy. 2007

[original German edition: 2005]. Polity Press

Thomas Meyer here expounds the theoretical foundations of social democracy, which, alongside fundamental civil and political rights, also takes social and economic rights seriously.

Meyer, Thomas (ed.):

Praxis der Sozialen Demokratie

[Practice of social democracy]. 2006.

VS Verlag für Sozialwissenschaften. (ISBN: 978-3-531-15179-3)

This volume presents recent qualitative country studies by leading experts in the field in light of Thomas Meyer's *Theory of Social Democracy*. The countries concerned are Sweden, Japan, Germany, Great Britain, the Netherlands and the USA.

Krell, Christian / Mörschel, Tobias (eds)

Werte und Politik [Values and politics]. 2015.

Springer VS. (ISBN: 978-3-658-06605-5)

Reference to values is not always made explicit in the political debate and policy decisions are rarely based on them. But when they are lacking even implicitly, when they no longer offer guidelines for political action, politics loses its substance and its bearings. In this book prominent academics, politicians and commentators discuss the value foundations of politics and society in our time.

Sandbrook, Richard / Edelman, Mark / Heller, Patrick / Teichmann, Judith

Social Democracy in the Global Periphery, Origins, Challenges, Prospects. 2007.

Cambridge University Press (ISBN 978-0-521-68687-7)

The book shows that social democracy is not only a model for industrialised nations. In four case studies differences and similarities, as well as success factors with regard to development in Kerala (India), Costa Rica, Mauritius and Chile are discussed.

Dowe, Dieter / Klotzbach, Kurt (eds)

Programmatische Dokumente der Deutschen Sozialdemokratie

[Programmatic documents of German social democracy]. 2004.

Verlag J. H. W. Dietz Nachf. (ISBN 3-8012-0346-8)

This volume documents the most important texts from the policy history of social democracy. The collection ranges from the Communist Manifesto (1848) through the updated Berlin Programme (1989) to the SPD's Leipzig Programme in the GDR, concluding in 2004. Each document is prefaced by a short introduction.

Grebing, Helga

Geschichte der deutschen Arbeiterbewegung.

Von der Revolution 1848 bis ins 21. Jahrhundert

[History of the German workers' movement.

From the 1848 revolution into the twenty-first century]. 2007.

vorwärts Verlag. (ISBN: 978-3-86602-288-1)

Renowned historian Helga Grebing here presents a completely new edition of her *History of the German Workers' Movement*, updated to 2000.

She shows that since the middle of the nineteenth century the organisations and parties of the working population have represented their needs and concerns with the intention of enabling them to lead a dignified life on the basis of their work. In this way they were able to adjust, time and again, to changing political and social systems.

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20 key terms:

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|-----------------------------------------|--------------------------------------------------|-------------------------------------------------------------------------------------|
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| 3. Freedom
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| 4. Fraser, Nancy
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| 5. Justice
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| 6. Equality
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»The reader Foundations of Social Democracy is a source of encouragement. At a time when political differences appear to be blurred, it encourages people to seek certainty about their own political activities.«

Ulrike Witt, PES Activist Group Göttingen